Monthly Labor Review

BLS

June 2021

Unemployment rises in 2020, as the country battles the COVID-19 pandemic

Total civilian employment fell by 8.8 million over the year, as the COVID-19 pandemic brought the economic expansion to a sudden halt, taking a tremendous toll on the U.S. labor market. The unemployment rate increased in 2020, surging to 13.0 percent in the second quarter of the year before easing to 6.7 percent in the fourth quarter. Although some people were able to work at home, the numbers of unemployed on temporary layoff, those working part time for economic reasons, and those unemployed for 27 or more weeks increased sharply over the year.

A decade-long economic expansion ended early in 2020, as the coronavirus disease 2019 (COVID-19) pandemic and efforts to contain it led businesses to suspend operations or close, resulting in a record number of temporary layoffs. The pandemic also prevented many people from looking for work. For the first 2 months of 2020, the economic expansion continued, reaching 128 months, or 42 quarters. This was the longest economic expansion on record before millions of jobs were lost because of the pandemic.[1]

Total civilian employment, as measured by the Current Population Survey (CPS), fell by 21.0 million from the fourth quarter of 2019 to the second quarter of 2020, while the unemployment rate more than tripled, from 3.6 percent to 13.0 percent. This was the highest quarterly average unemployment rate in the history of the CPS.[2] (See the box that follows for more information about the CPS, as well as the Current Employment Statistics survey.)

Sean M. Smith
smith.sean@bls.gov

Sean M. Smith is an economist in the Office of Employment and Unemployment Statistics, U.S. Bureau of Labor Statistics.

Roxanna Edwards
edwards.roxanna@bls.gov

Roxanna Edwards is an economist in the Office of Employment and Unemployment Statistics, U.S. Bureau of Labor Statistics.

Hao C. Duong
duong.hao@bls.gov

Hao C. Duong is an economist in the Office of Employment and Unemployment Statistics, U.S. Bureau of Labor Statistics.

The CPS and the CES

The U.S. Bureau of Labor Statistics (BLS) produces two monthly employment series obtained from two different surveys: the estimate of total nonfarm jobs, derived from the Current Employment Statistics (CES) survey, also called the establishment or payroll survey; and the estimate of total civilian employment, derived from the Current Population Survey (CPS), also called the household survey. The two surveys use different definitions of employment, as well as different survey and estimation methods. The CES survey is a survey of employers that provides a measure of the number of payroll jobs in nonfarm industries. The CPS is a survey of households that provides a measure of employed people ages 16 years and older in the civilian noninstitutional population.

Employment estimates from the CPS provide information about workers in both the agricultural and nonagricultural sectors and in all types of work arrangements: workers with wage and salary jobs (including employment in a private household), those who are self-employed, and those doing unpaid work for at least 15 hours per week in a business or farm operated by a family member. CES payroll employment estimates are restricted to nonagricultural wage and salary jobs and exclude private household workers. As a result, employment estimates from the CPS are higher than those from the CES survey. In the CPS, however, workers who hold multiple jobs (referred to as "multiple jobholders") are counted only once, regardless of how many jobs these workers held during the survey reference period. By contrast, because the CES survey counts the number of jobs rather than the number of people, each nonfarm job is counted separately, even when two or more jobs are held by the same person.

The reference periods for the surveys also differ. In the CPS, the reference period is generally the calendar week that includes the 12th day of the month. In the CES survey, employers report the number of workers on their payrolls for the pay period that includes the 12th of the month. Because pay periods vary in length among employers and may be longer than 1 week, the CES employment estimates can reflect longer reference periods.

For more information on the two monthly employment measures, see "Employment from the BLS household and payroll surveys: summary of recent trends" (U.S. Bureau of Labor Statistics, February 5, 2021), www.bls.gov/web/empsit/ces_cps_trends.htm.

However, late in the second quarter, the labor market began a slow recovery that continued for the rest of the year. The unemployment rate fell to 8.8 percent in the third quarter and to 6.7 percent in the fourth quarter. This was still 3.1 percentage points higher than a year earlier and reflected the 10.8 million people who were unemployed in the fourth quarter of 2020, which was 4.9 million more than at the end of 2019.[3]

Total employment, as measured by the CPS, rose by 8.6 million in the third quarter of 2020 and by 3.6 million in the fourth quarter. At the end of the year, total employment averaged 149.8 million, 8.8 million (or 5.5 percent) less than in the fourth quarter of 2019. The employment–population ratio (the percentage of the population ages 16 and older who are employed) averaged 57.4 percent in the fourth quarter, down by 3.6 percentage points over the year.

The labor force participation rate (the percentage of the population ages 16 and older who are either employed or actively seeking employment) averaged 61.5 percent, down by 1.7 percentage points over the year.[4]

This article highlights important developments in key labor market measures from the CPS during 2020, both overall and for various demographic groups. New questions added to the CPS beginning in May 2020 provide data on the number of people who teleworked, were unable to work, or were unable to look for work because of the pandemic. The article also examines usual weekly earnings and labor force status flows in 2020, as well as the employment situations of veterans, people with a disability, and the foreign born.

Employment declined by a record amount in 2020

Although the labor market remained quite strong early in 2020, employment fell sharply in the spring with the onset of the COVID-19 pandemic. Employment growth in the second half of the year led to a recovery of about half of these employment losses. Employment averaged 149.8 million in the fourth quarter of 2020, down 8.8 million from a year earlier.

Much of the employment decline early in the pandemic occurred among part-time workers. Part-time workers accounted for 29 percent of the employment decline from the fourth quarter of 2019 to the second quarter of 2020, well above their prepandemic share of employment, at 17 percent. However, part-time workers made up 37 percent of the employment gain from the second quarter to the fourth quarter of 2020. In the fourth quarter of 2020, part-time employment was down by about 6 percent from a year earlier, matching the decline among full-time workers, which was also down by about 6 percent over the year.

The employment–population ratio decreased in 2020. The ratio dropped to 52.9 percent in the second quarter of 2020, which is the lowest quarterly average for this measure in the history of the CPS. The employment–population ratio improved in the second half of 2020, increasing to 57.4 percent in the fourth quarter of 2020, but it was still 3.6 percentage points lower than it had been a year earlier. Following a similar pattern, the labor force participation rate fell sharply in 2020—at 60.8 percent in the second quarter, it was at its lowest level since 1973. In the second half of 2020, the rate showed some recovery, rising to 61.5 percent in the fourth quarter, but it remained 1.7 percentage points below the rate from a year earlier. (See table 1 and chart 1.)

Table 1. Employment status of the civilian noninstitutional population ages 16 years and older, by gender, race, and Hispanic or Latino ethnicity, quarterly averages, seasonally adjusted, 2019–20 (levels in thousands)

Characteristic	Fourth quarter, 2019	2020				Change, fourth quarter 2019 to fourth quarter 2020
		First quarter	Second quarter	Third quarter	Fourth quarter	
Total, 16 years and older						
Civilian labor force	164,435	163,875	158,158	160,327	160,607	–3,828
Participation rate	63.2	63.1	60.8	61.5	61.5	–1.7
Employed	158,544	157,642	137,565	146,199	149,769	–8,775
Full-time workers	131,462	130,160	116,711	121,664	124,209	–7,253
Part-time workers	27,019	27,299	21,020	24,634	25,476	–1,543

See footnotes at end of table.

Table 1. Employment status of the civilian noninstitutional population ages 16 years and older, by gender, race, and Hispanic or Latino ethnicity, quarterly averages, seasonally adjusted, 2019–20 (levels in thousands)

Characteristic	Fourth quarter, 2019	2020				Change, fourth quarter 2019 to fourth quarter 2020
		First quarter	Second quarter	Third quarter	Fourth quarter	
Employment–population ratio	61.0	60.7	52.9	56.1	57.4	–3.6
Unemployed	5,891	6,232	20,594	14,128	10,838	4,947
Unemployment rate	3.6	3.8	13.0	8.8	6.7	3.1
Men, 16 years and older						
Civilian labor force	86,996	86,660	83,879	85,001	85,277	–1,719
Participation rate	69.2	69.0	66.7	67.4	67.5	–1.7
Employed	83,873	83,355	73,748	77,711	79,428	–4,445
Employment–population ratio	66.7	66.4	58.6	61.7	62.9	–3.8
Unemployed	3,123	3,305	10,132	7,291	5,849	2,726
Unemployment rate	3.6	3.8	12.1	8.6	6.9	3.3
Women, 16 years and older						
Civilian labor force	77,439	77,214	74,279	75,326	75,330	–2,109
Participation rate	57.7	57.6	55.3	56.0	55.9	–1.8
Employed	74,670	74,287	63,817	68,488	70,341	–4,329
Employment–population ratio	55.6	55.4	47.5	50.9	52.2	–3.4
Unemployed	2,768	2,927	10,462	6,838	4,989	2,221
Unemployment rate	3.6	3.8	14.1	9.1	6.6	3.0
White						
Civilian labor force	127,141	126,647	122,617	124,154	124,306	–2,835
Participation rate	63.2	63.0	61.0	61.6	61.6	–1.6
Employed	123,050	122,416	107,702	114,408	116,838	–6,212
Employment–population ratio	61.1	60.9	53.5	56.8	57.9	–3.2
Unemployed	4,091	4,232	14,915	9,746	7,468	3,377
Unemployment rate	3.2	3.3	12.2	7.8	6.0	2.8
Black or African American						
Civilian labor force	20,787	20,770	19,788	20,040	20,114	–673
Participation rate	62.6	62.5	59.4	60.0	60.1	–2.5
Employed	19,575	19,462	16,570	17,423	18,034	–1,541
Employment–population ratio	59.0	58.6	49.8	52.2	53.9	–5.1
Unemployed	1,211	1,308	3,217	2,617	2,080	869
Unemployment rate	5.8	6.3	16.3	13.1	10.3	4.5
Asian						
Civilian labor force	10,605	10,445	10,029	10,511	10,338	–267
Participation rate	64.4	63.9	61.1	63.5	62.4	–2.0
Employed	10,322	10,109	8,584	9,411	9,643	–679
Employment–population ratio	62.6	61.9	52.3	56.8	58.2	–4.4
Unemployed	283	335	1,445	1,099	696	413

See footnotes at end of table.

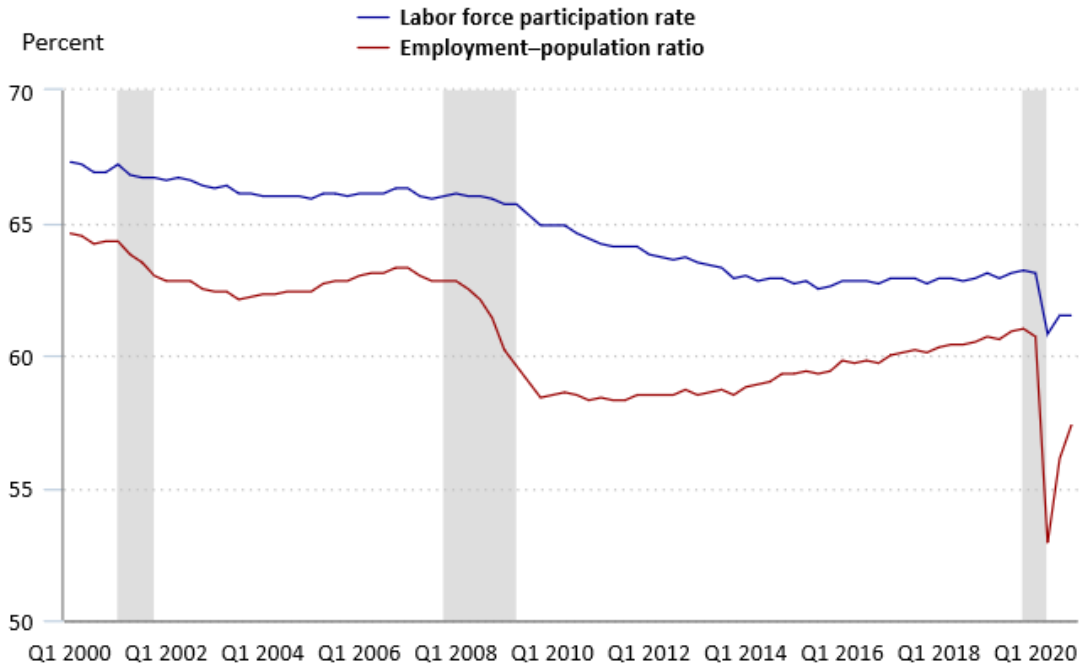
Table 1. Employment status of the civilian noninstitutional population ages 16 years and older, by gender, race, and Hispanic or Latino ethnicity, quarterly averages, seasonally adjusted, 2019–20 (levels in thousands)

Characteristic	Fourth quarter, 2019	2020				Change, fourth quarter 2019 to fourth quarter 2020
		First quarter	Second quarter	Third quarter	Fourth quarter	
Unemployment rate	2.7	3.2	14.4	10.5	6.7	4.0
Hispanic or Latino ethnicity						
Civilian labor force	29,538	29,618	28,319	28,777	29,153	–385
Participation rate	67.3	67.6	64.3	65.0	65.4	–1.9
Employed	28,286	28,163	23,517	25,558	26,569	–1,717
Employment–population ratio	64.4	64.3	53.4	57.7	59.6	–4.8
Unemployed	1,251	1,455	4,802	3,219	2,584	1,333
Unemployment rate	4.2	4.9	17.0	11.2	8.9	4.7

Note: Employed full-time workers are people who usually work 35 hours or more per week. Employed part-time workers are people who usually work less than 35 hours per week. Seasonally adjusted data for full-time and part-time workers will not necessarily add to totals because of the independent seasonal adjustment of the series. Estimates for the above race groups (White, Black or African American, and Asian) do not sum to totals because data are not presented for all races. People whose ethnicity is identified as Hispanic or Latino may be of any race. Updated population controls are introduced annually with the release of January data.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Chart 1. Labor force participation rate and employment–population ratio, quarterly averages, seasonally adjusted, 2000–20

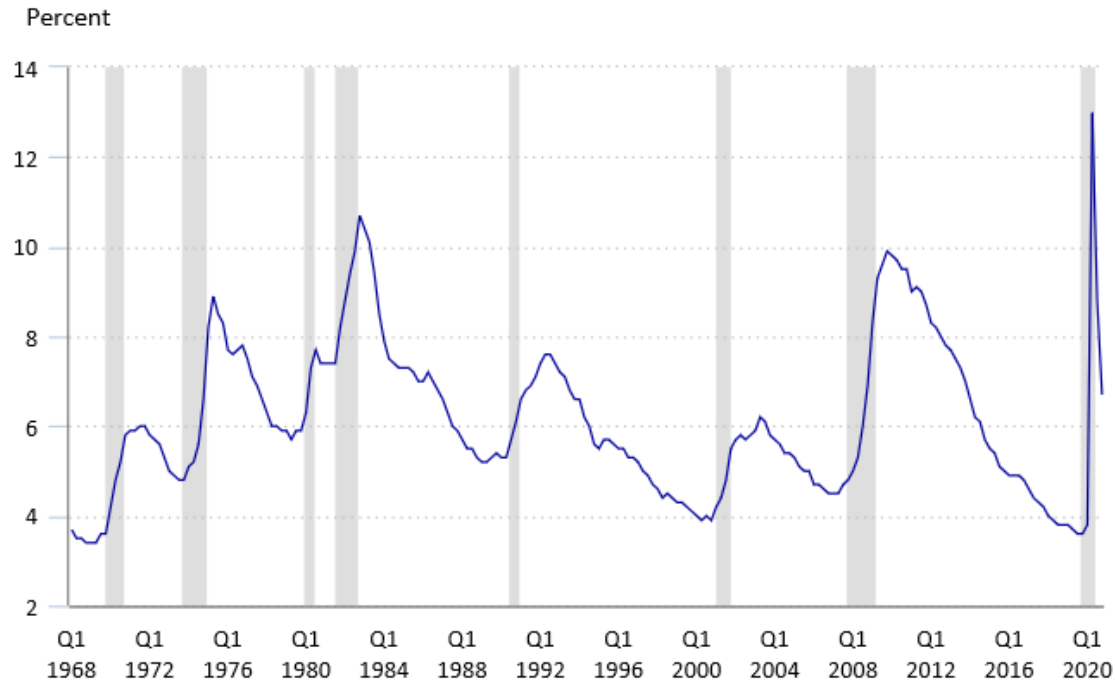


Click legend items to change data display. Hover over chart to view data.
Note: Shaded areas represent recessions (quarterly turning points) as determined by the National Bureau of Economic Research (NBER). When this chart was published, NBER had not yet determined an endpoint for the recession that began in the fourth quarter of 2019. Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, and Q4 = fourth quarter.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

The unemployment rate peaked above levels seen in the Great Recession

The number of unemployed people was 10.8 million in the fourth quarter of 2020, an increase of 4.9 million from a year earlier. In the second quarter of 2020, after the onset of the pandemic, the number of unemployed averaged 20.6 million, much higher than the peak reached in the aftermath of the Great Recession, when unemployment hit 15.2 million in the fourth quarter of 2009.[5] The unemployment rate also spiked in the second quarter of 2020 and, at 13.0 percent, was the highest quarterly average ever recorded in the history of the series, which goes back to 1948. (See the box that follows for more information about the effects of the pandemic on CPS estimates.) Despite rapid declines in the second half of the year, the unemployment rate averaged 6.7 percent in the fourth quarter of 2020, which is nearly twice what it had been in the fourth quarter of 2019. (See chart 2.)

Chart 2. Unemployment rate for people ages 16 years and older, quarterly averages, seasonally adjusted, 1968–2020



Hover over chart to view data.
Note: Shaded areas represent recessions (quarterly turning points) as determined by the National Bureau of Economic Research (NBER). When this chart was published, NBER had not yet determined an endpoint for the recession that began in the fourth quarter of 2019. Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, and Q4 = fourth quarter.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Effects of the COVID-19 pandemic on CPS estimates

Misclassification of some people in the labor force

In 2020, many people were not able to work as businesses closed or reduced hours because of the COVID-19 pandemic. Depending on the responses to the CPS, some of these people may or may not have been classified as unemployed. People who did not work but said that they have a job are asked for the reason they did not work. Those who missed work because of vacation, illness, parental leave, or bad weather are classified as employed. In March 2020, some people who said they had jobs but did not work during the week prior to the survey cited the pandemic as the reason they did not work. The Census Bureau interviewers were given guidance that people who had jobs but did not work because they were under quarantine or self-isolating because of health concerns should be counted in the “own illness, injury, or medical problem” category. Those who were not ill or under quarantine and did not work “because of the coronavirus” should be classified as unemployed, on layoff (temporary or indefinite). (People on temporary layoff do not need to look for work to be classified as unemployed.)

Both BLS and the Census Bureau found that, despite this guidance, some people who were not working because of the coronavirus were recorded as having a job and not working for "other reasons." Starting in March 2020, BLS began producing an estimate of what the unemployment rate would have been if those with a job but not at work for "other reasons" (over and above the typical level) had been counted among the unemployed on temporary layoff.

This estimate of misclassification requires some assumptions. First, BLS assumed that all of the increase in the number of employed people not at work for "other reasons" was solely due to misclassification. Second, BLS assumed that these people expected to be recalled and were available to return to work. These assumptions represent an upper bound and likely overstate the degree of misclassification. Business owners who do not have another job and are not at work because of pandemic-related closures or cutbacks are correctly recorded as employed and absent from work for "other reasons."

After adjusting for misclassification using this methodology, BLS estimated that the unemployment rate for March 2020 would have been 5.3 percent, 0.9 percentage point higher than the official seasonally adjusted unemployment rate for that month. For April 2020, the same methodology showed that the unemployment rate would have been 19.5 percent, compared with the official seasonally adjusted rate of 14.7 percent. In response to the misclassification, the Census Bureau increased training for interviewers and reviewed responses for those who were recorded as employed and not at work for "other reasons." Thus, misclassification was highest in the early months of the pandemic and was considerably lower later in the year. In December, the unemployment rate would have been 7.3 percent, compared with the official estimate of 6.7 percent. For more information about the misclassification, see "Impact of the coronavirus (COVID-19) pandemic on The Employment Situation for December 2020," https://www.bls.gov/covid19/employment-situation-covid19-faq-december-2020.htm.

Response rates

The household survey is conducted by the Census Bureau and normally includes both in-person and telephone interviews, with the majority of interviews conducted by telephone. Households are in the CPS sample for a total of 8 months (4 months in a row, followed by an 8-month break, followed by another 4 months in the survey), meaning that interviewers attempt to interview someone in the household in each of those 8 months. Generally, households entering the sample for their first month are interviewed through a personal visit, and households in their fifth month also often receive a personal visit. Interviews for other months are generally conducted by telephone.

For the safety of both interviewers and respondents, in-person interviews were suspended on March 20, 2020. Additionally, the two Census Bureau call centers that assist with telephone interviewing were closed. Starting in July, interviewers resumed conducting some in-person interviews on a limited basis in certain areas of the country, and the call centers also resumed activity on a limited basis. Restrictions gradually eased, and by November, interviewers in nearly all areas of the country conducted in-person interviews, though only after first attempting to reach households by telephone.

The response rate for the household survey was 73 percent in March 2020, and it reached a low for the year of 65 percent in June. The response rate began to improve in July, and it was between 77 and 80 percent for September through December. For the 12 months ending in February 2020, the response rate averaged 83 percent. For CPS response rates by month, see https://data.bls.gov/timeseries/LNU09300000. Although the response rate was adversely affected by pandemic-related issues, BLS was still able to obtain estimates that met its standards for accuracy and reliability.

The sharpest rise in unemployment occurred in service occupations

In 2020, the unemployment rate increased for all five major occupational categories.[6] (Data are annual averages.) The jobless rate for service occupations had the sharpest increase, rising by 8.6 percentage points over the year to reach 13.0 percent in 2020. Production, transportation, and material moving occupations had the second-largest increase, rising by 5.9 percentage points over the year to 10.2 percent in 2020. The pandemic and efforts to contain it had a substantial impact on these occupations. Within service occupations, food preparation and serving related occupations and personal care and service occupations were the most affected, with jobless rates that were nearly 4 times higher than they were in 2019. The jobless rates for natural resources, construction, and maintenance occupations (8.9 percent); sales and office occupations (8.0 percent); and management, professional, and related occupations (4.5 percent) also rose sharply from 2019 to 2020. (See table 2.)

Table 2. Unemployment rates, by occupational group and gender, annual averages, not seasonally adjusted, 2019–20

Occupational group	Total			Men			Women		
	2019	2020	Change, 2019 to 2020	2019	2020	Change, 2019 to 2020	2019	2020	Change, 2019 to 2020
Management, professional, and related occupations	2.0	4.5	2.5	1.8	4.2	2.4	2.1	4.9	2.8
Management, business, and financial operations occupations	1.8	4.1	2.3	1.7	3.8	2.1	2.0	4.4	2.4
Professional and related occupations	2.1	4.9	2.8	2.0	4.6	2.6	2.2	5.1	2.9
Service occupations	4.4	13.0	8.6	4.8	12.6	7.8	4.2	13.3	9.1
Health care support occupations	3.1	7.3	4.2	2.8	7.5	4.7	3.2	7.3	4.1
Protective service occupations	2.9	5.1	2.2	2.3	3.9	1.6	4.8	8.7	3.9
Food preparation and serving related occupations	5.5	19.6	14.1	6.1	20.8	14.7	5.0	18.5	13.5
Building and grounds cleaning and maintenance occupations	5.1	10.9	5.8	5.6	9.4	3.8	4.4	13.1	8.7
Personal care and service occupations	3.9	16.0	12.1	4.4	17.5	13.1	3.7	15.5	11.8
Sales and office occupations	3.7	8.0	4.3	3.5	7.2	3.7	3.8	8.5	4.7
Sales and related occupations	3.8	8.8	5.0	2.9	6.9	4.0	4.7	10.8	6.1

See footnotes at end of table.

Table 2. Unemployment rates, by occupational group and gender, annual averages, not seasonally adjusted, 2019–20

Occupational group	Total			Men			Women		
	2019	2020	Change, 2019 to 2020	2019	2020	Change, 2019 to 2020	2019	2020	Change, 2019 to 2020
Office and administrative support occupations	3.6	7.3	3.7	4.3	7.9	3.6	3.3	7.1	3.8
Natural resources, construction, and maintenance occupations	4.7	8.9	4.2	4.4	8.6	4.2	9.0	12.5	3.5
Farming, fishing, and forestry occupations	9.6	10.3	0.7	7.7	8.4	0.7	14.8	15.7	0.9
Construction and extraction occupations	5.2	10.1	4.9	5.1	10.0	4.9	6.1	10.6	4.5
Installation, maintenance, and repair occupations	2.6	6.4	3.8	2.5	6.2	3.7	3.7	10.9	7.2
Production, transportation, and material moving occupations	4.3	10.2	5.9	4.2	9.8	5.6	4.9	11.6	6.7
Production occupations	3.9	9.0	5.1	3.7	8.5	4.8	4.5	10.0	5.5
Transportation and material moving occupations	4.7	11.1	6.4	4.5	10.6	6.1	5.4	13.2	7.8

Note: The unemployed are classified by occupation according to their last job, which may or may not be similar to the job they are currently looking for. Updated population controls are introduced annually with the release of January data. Effective with January 2020 data, occupations reflect the introduction of the 2018 Census occupational classification system into the Current Population Survey, or household survey. This classification system is derived from the 2018 Standard Occupational Classification (SOC). No historical data have been revised. Data for 2020 are not strictly comparable with earlier years.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Unemployment rates rose more for women than for men in four of the five major occupational categories in 2020. The unemployment rate for women in service occupations increased by 9.1 percentage points over the year, reaching 13.3 percent, compared with an increase of 7.8 percentage points in the rate for men, whose rate rose to 12.6 percent in 2020. Within this occupational group, women accounted for 57.0 percent of employment in 2020. (See table 3.) (These data are annual averages.) Over the same period, in production, transportation, and material moving occupations, the jobless rate increased by 6.7 percentage points for women and by 5.6 percentage points for men, reaching 11.6 percent and 9.8 percent, respectively. In sales and office occupations, the unemployment rate increased by 4.7 percentage points for women and 3.7 percentage points for men, to 8.5 percent and 7.2 percent, respectively. In management, professional, and related occupations, the unemployment rate increased by 2.8 percentage points for women and 2.4 percentage points for men, rising to 4.9 percent for women and 4.2 percent for men. Lastly, for natural resources, construction, and maintenance occupations, the unemployment rate increased more for men (4.2 percentage points, to 8.6 percent) than for women (3.5 percentage points, to 12.5 percent).

Women were disproportionately affected by the pandemic-related recession, especially in the early stages

From the fourth quarter of 2019 to the second quarter of 2020, the number of employed women decreased by 14.5 percent, compared with a 12.1-percent decrease for men. Over the same period, the unemployment rate for women increased by 10.5 percentage points, to 14.1 percent, while the rate for men rose by 8.5 percentage points, to 12.1 percent. From the second quarter to the fourth quarter of 2020, however, the number of employed women increased by 10.2 percent, compared with a 7.7-percent increase in the number of employed men. The unemployment rate for women decreased by 7.5 percentage points, compared with a 5.2-percentage-point decrease for men. (See table 1.)

As these measures suggest, the employment situation deteriorated considerably more for women than for men during the early part of the pandemic—from the fourth quarter of 2019 to the second quarter of 2020; it then improved somewhat more for women than for men between the second quarter and the end of the year. This pattern reflects employment changes in 2020 that were particularly acute for people in food services and serving related occupations, an occupational group in which women make up slightly more than half of employment, and personal care and service occupations, in which women represented more than three-fourths of employment. (See table 3.) Women are also more likely than men to usually work part time—that is, less than 35 hours per week—and part-time employment declined more sharply than full-time employment in the early stages of the pandemic. Women accounted for about three-fifths of part-time workers in 2020.

Table 3. Employed people, by occupational group, gender, race, Hispanic or Latino ethnicity, and age, annual averages, not seasonally adjusted, 2020

Occupational group	Total employed (in thousands)	Percent of total employed							
		Women	White	Black or African American	Asian	Hispanic or Latino	Ages 16 to 24 years	Ages 25 to 54 years	Ages 55 years and older
Total, 16 years and older	147,795	46.8	78.0	12.1	6.4	17.6	11.6	64.5	23.9
Management, professional, and related occupations	63,644	51.7	78.7	9.7	8.6	10.4	5.6	69.9	24.6
Management, business, and financial operations occupations	27,143	44.6	81.7	8.8	6.7	10.9	3.8	68.6	27.6
Management occupations	18,564	40.4	83.4	8.0	5.8	10.7	3.1	67.5	29.4
Professional and related occupations	36,502	57.0	76.5	10.5	10.1	10.1	6.9	70.8	22.3
Service occupations	22,853	57.0	72.9	17.0	5.6	25.0	21.3	57.9	20.8
Healthcare support occupations	4,790	85.3	64.1	25.3	6.2	20.2	14.9	61.4	23.7
Protective service occupations	3,024	23.6	74.5	19.4	2.5	15.9	10.2	70.2	19.6
Food preparation and serving related occupations	6,556	54.4	74.8	13.9	6.4	27.3	39.4	47.1	13.4
Building and grounds cleaning and maintenance occupations	5,084	40.3	78.2	14.2	3.1	37.9	10.8	60.5	28.6

See footnotes at end of table.

Table 3. Employed people, by occupational group, gender, race, Hispanic or Latino ethnicity, and age, annual averages, not seasonally adjusted, 2020

Occupational group	Total employed (in thousands)	Percent of total employed							
		Women	White	Black or African American	Asian	Hispanic or Latino	Ages 16 to 24 years	Ages 25 to 54 years	Ages 55 years and older
Personal care and service occupations	3,399	77.0	72.8	13.2	10.1	16.1	20.9	59.0	20.2
Sales and office occupations	29,726	61.3	78.7	12.5	5.1	17.3	15.6	58.6	25.8
Sales and related occupations	14,168	48.7	80.2	10.6	5.5	17.1	18.9	56.1	25.0
Office and administrative support occupations	15,558	72.7	77.4	14.3	4.7	17.4	12.6	60.9	26.4
Natural resources, construction, and maintenance occupations	13,357	5.6	86.7	7.5	2.1	31.1	11.3	67.3	21.5
Farming, fishing, and forestry occupations	1,045	24.1	90.0	4.3	1.6	43.0	18.5	57.3	24.3
Construction and extraction occupations	7,710	4.0	87.8	7.0	1.6	35.7	11.2	68.9	19.9
Installation, maintenance, and repair occupations	4,602	4.1	84.0	9.1	3.1	20.8	9.7	66.7	23.5
Production, transportation, and material moving occupations	18,215	23.7	74.6	16.7	4.8	23.8	14.5	61.6	23.9
Production occupations	7,590	28.3	77.8	13.1	5.6	23.6	10.8	65.0	24.1
Transportation and material moving occupations	10,625	20.5	72.3	19.4	4.2	23.9	17.1	59.1	23.8

Note: Estimates for the above race groups (White, Black or African American, and Asian) do not sum to totals because data are not presented for all races. People whose ethnicity is identified as Hispanic or Latino may be of any race. Updated population controls are introduced annually with the release of January data. Effective with January 2020 data, occupations reflect the introduction of the 2018 Census occupational classification system, derived from the 2018 Standard Occupational Classification (SOC). No historical data have been revised. Data for 2020 are not strictly comparable with earlier years.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

At the end of 2020, labor market conditions for both women and men were weaker than they were a year earlier. The unemployment rate for women was 6.6 percent in the fourth quarter of 2020, up 3.0 percentage points from the fourth quarter of 2019; the rate for men was up 3.3 percentage points over this period, averaging 6.9 percent in the fourth quarter of 2020. Employment was down 5.8 percent for women between the fourth quarter of 2019 and the fourth quarter of 2020, compared with a decline of 5.3 percent for men. The labor force participation rate also was down more for women than for men over the year, with declines of 1.8 percentage points and 1.7 percentage points, respectively; the fourth-quarter rate was 55.9 percent for women and 67.5 percent for men. (See table 1.)

Looking at a broader array of economic indicators sheds even more light on the labor market difficulties that women encountered in 2020. For example, according to data from the American Time Use Survey, women are more likely than men to provide childcare and to perform household activities such as housework, food preparation and cleanup, and household management on a given day; women are also more likely than men to be unpaid eldercare providers.[7] Mothers of school-age children with no other working-age adults in the home suffered disproportionate declines in employment.[8] Any adverse impact on their employment situation, especially when compounded by the shift of many schools to distance learning during the pandemic and the temporary closure of many childcare facilities, meant that many women were forced to juggle an unprecedented array of pandemic-related challenges.

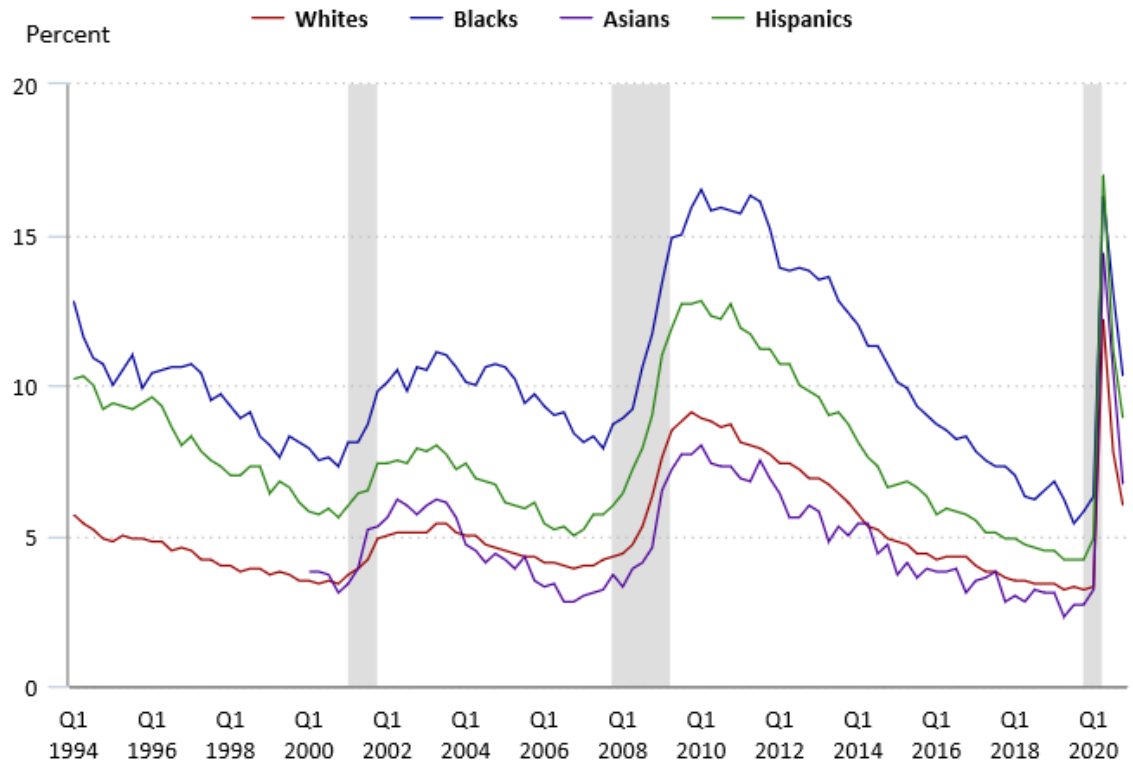
Blacks, Asians, and Hispanics were more adversely affected than Whites by the pandemic-induced recession

In 2020, employment fell sharply for all race and ethnicity groups, as evidenced by declines in the employment–population ratios for Whites, Blacks, Asians, and Hispanics.[9] Improvements in the second half of the year were not substantial enough to make up for the steep drops that occurred in the second quarter. However, some groups were affected more than others. Although the ratio for Whites decreased by 3.2 percentage points over the year, to 57.9 percent, the declines in the employment–population ratios for Blacks, Hispanics, and Asians were more pronounced. The ratio for Blacks decreased to 53.9 percent in the fourth quarter of 2020, a loss of 5.1 percentage points over the year. The employment–population ratios for Hispanics and Asians also fell sharply during 2020, with the ratio for Hispanics decreasing by 4.8 percentage points, to 59.6 percent, and the ratio for Asians decreasing by 4.4 percentage points, to 58.2 percent. (See table 1.)

Similarly, the labor force participation rates decreased over the year for Whites, Blacks, Asians, and Hispanics. Higher participation in the second half of the year fell short of making up for the steep drops in the second quarter. The participation rate for Whites decreased by 1.6 percentage points over the year, to 61.6 percent in the fourth quarter of 2020, but declines in labor force participation among the other major race and ethnicity groups were larger. The rate for Blacks decreased by 2.5 percentage points over the year, to 60.1 percent in the fourth quarter of 2020. The rate for Asians decreased by 2.0 percentage points, to 62.4 percent. The rate for Hispanics decreased by 1.9 percentage points, to 65.4 percent in the fourth quarter of 2020. (See table 1.)

Among the major race and ethnicity groups, jobless rates at the end of 2020 were much higher than in the fourth quarter of 2019. For each of the groups, some improvement in the second half of the year was not sufficient to bring the rates back to their prepandemic levels. The unemployment rate for Blacks, at 10.3 percent in the fourth quarter of 2020, increased by 4.5 percentage points over the year. The jobless rate for Asians more than doubled, increasing by 4.0 percentage points over the year, to 6.7 percent. The rate for Hispanics increased by 4.7 percentage points, to 8.9 percent. The unemployment rate for Whites, at 6.0 percent, increased by 2.8 percentage points over the year. (See table 1 and chart 3.)

Chart 3. Unemployment rates, by race and Hispanic or Latino ethnicity, quarterly averages, seasonally adjusted, 1994–2020



Click legend items to change data display. Hover over chart to view data.
Note: Shaded areas represent recessions (quarterly turning points) as determined by the National Bureau of Economic Research (NBER). When this chart was published, NBER had not yet determined an endpoint for the recession that began in the fourth quarter of 2019. Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, and Q4 = fourth quarter.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Roughly 1 in 4 young workers were unemployed in the second quarter of 2020

In terms of the increase in the unemployment rate, the labor market disruption in the early months of the pandemic was greatest among younger workers. For people ages 16 to 24, for example, the unemployment rate jumped to 24.2 percent in the second quarter of 2020, an increase of 15.9 percentage points from the fourth quarter of 2019. By the fourth quarter of 2020, the unemployment rate for people ages 16 to 24 was back down to 12.0 percent, albeit still 3.7 percentage points higher than it was at the end of 2019. This is largely a reflection of younger workers being more likely than older workers to be employed in food preparation and serving related occupations, an occupational group hit particularly hard at the onset of the pandemic. Younger workers are also more likely to be employed part time and, as previously mentioned, employment declined more sharply among part-time workers in the early stages of the recession. (See table 4.)

Employment for people ages 16 to 24 fell by 4.9 million, or 25.1 percent, from the fourth quarter of 2019 to the second quarter of 2020. Employment for this age group rebounded by 3.7 million from the second quarter to the fourth quarter of 2020, but the level was still down by 1.1 million over the year. The employment–population ratio

was 48.7 percent in the fourth quarter of 2020, 2.7 percentage points lower than it was a year earlier. Much of the employment decline occurred among those ages 20 to 24. (See table 4.)

The unemployment rate for people in the prime working age of 25 to 54 was 6.1 percent in the fourth quarter of 2020, up 3.1 percentage points over the year. The unemployment rate increased for both prime-working-age women and men. In the fourth quarter, the unemployment rate was 6.0 percent for women and 6.2 percent for men, with increases over the year of 2.8 percentage points and 3.2 percentage points, respectively. (See table 4.)

Table 4. Employment status of the civilian noninstitutional population ages 16 years and older, by age and gender, quarterly averages, seasonally adjusted, 2019-20 (levels in thousands)

Characteristic	Fourth quarter, 2019	2020				Change, fourth quarter 2019 to fourth quarter 2020
		First quarter	Second quarter	Third quarter	Fourth quarter	
Total, 16 to 24 years						
Civilian labor force	21,135	20,972	19,162	19,958	20,736	–399
Participation rate	56.0	55.9	51.1	53.3	55.3	-0.7
Employed	19,382	19,142	14,522	16,854	18,250	–1,132
Employment–population ratio	51.4	51.0	38.7	45.0	48.7	–2.7
Unemployed	1,754	1,831	4,639	3,105	2,486	732
Unemployment rate	8.3	8.7	24.2	15.6	12.0	3.7
Total, 16 to 19 years						
Civilian labor force	5,968	5,964	5,356	5,636	5,925	–43
Participation rate	35.8	35.9	32.3	34.1	35.8	0.0
Employed	5,210	5,206	3,853	4,665	5,056	–154
Employment–population ratio	31.2	31.3	23.3	28.2	30.6	–0.6
Unemployed	758	759	1,504	970	869	111
Unemployment rate	12.7	12.7	28.1	17.2	14.7	2.0
Total, 20 to 24 years						
Civilian labor force	15,167	15,008	13,806	14,323	14,811	–356
Participation rate	72.1	71.8	66.0	68.5	70.8	–1.3
Employed	14,172	13,936	10,670	12,188	13,194	–978
Employment–population ratio	67.4	66.7	51.0	58.3	63.1	–4.3
Unemployed	996	1,072	3,136	2,134	1,617	621
Unemployment rate	6.6	7.1	22.7	14.9	10.9	4.3
Total, 25 to 54 years						
Civilian labor force	104,727	104,275	101,632	102,387	102,223	–2504
Participation rate	82.9	82.8	80.6	81.2	81.0	–1.9
Employed	101,533	100,938	90,102	94,294	95,987	–5,546
Employment–population ratio	80.3	80.1	71.5	74.8	76.1	–4.2
Unemployed	3,194	3,337	11,530	8,092	6,236	3,042
Unemployment rate	3.0	3.2	11.3	7.9	6.1	3.1
Men, 25 to 54 years						
Civilian labor force	55,628	55,378	54,192	54,600	54,528	–1,100
Participation rate	89.2	89.1	87.1	87.7	87.6	–1.6

See footnotes at end of table.

Table 4. Employment status of the civilian noninstitutional population ages 16 years and older, by age and gender, quarterly averages, seasonally adjusted, 2019-20 (levels in thousands)

Characteristic	Fourth quarter, 2019	2020				Change, fourth quarter 2019 to fourth quarter 2020
		First quarter	Second quarter	Third quarter	Fourth quarter	
Employed	53,983	53,625	48,406	50,387	51,137	–2,846
Employment–population ratio	86.5	86.3	77.8	81.0	82.1	–4.4
Unemployed	1,645	1,753	5,786	4,213	3,391	1,746
Unemployment rate	3.0	3.2	10.7	7.7	6.2	3.2
Women, 25 to 54 years						
Civilian labor force	49,099	48,897	47,440	47,786	47,695	–1,404
Participation rate	76.7	76.6	74.3	74.8	74.7	–2.0
Employed	47,550	47,313	41,696	43,907	44,850	–2,700
Employment–population ratio	74.3	74.2	65.3	68.8	70.2	–4.1
Unemployed	1,548	1,584	5,744	3,879	2,845	1,297
Unemployment rate	3.2	3.2	12.1	8.1	6.0	2.8
Total, 55 years and older						
Civilian labor force	38,676	38,543	37,294	38,037	37,744	–932
Participation rate	40.3	40.1	38.6	39.2	38.7	–1.6
Employed	37,676	37,453	32,935	35,126	35,568	–2,108
Employment–population ratio	39.3	38.9	34.1	36.2	36.5	–2.8
Unemployed	1,000	1,091	4,359	2,911	2,176	1,176
Unemployment rate	2.6	2.8	11.7	7.7	5.8	3.2
Men, 55 years and older						
Civilian labor force	20,635	20,613	19,963	20,253	20,184	–451
Participation rate	46.4	46.2	44.6	45.0	44.7	–1.7
Employed	20,119	19,991	17,892	18,816	19,047	–1,072
Employment–population ratio	45.3	44.8	40.0	41.8	42.1	–3.2
Unemployed	516	622	2,071	1,437	1,138	622
Unemployment rate	2.5	3.0	10.4	7.1	5.6	3.1
Women, 55 years and older						
Civilian labor force	18,037	17,937	17,330	17,780	17,557	–480
Participation rate	35.0	34.8	33.5	34.2	33.6	–1.4
Employed	17,557	17,462	15,043	16,310	16,521	–1,036
Employment–population ratio	34.1	33.9	29.0	31.4	31.6	–2.5
Unemployed	481	475	2,287	1,471	1,035	554
Unemployment rate	2.7	2.6	13.2	8.3	5.9	3.2

Note: Updated population controls are introduced annually with the release of January data.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Among people ages 25 to 54, the number of employed fell by 11.4 million from the fourth quarter of 2019 to the second quarter of 2020, but it increased by 5.9 million from the second quarter to the fourth quarter of 2020. The employment–population ratio fell by 4.2 percentage points over the year, averaging 76.1 percent in the fourth

quarter of 2020. Among workers ages 55 and older, the unemployment rate, at 5.8 percent in the fourth quarter of 2020, increased by 3.2 percentage points over the year. The jobless rates for men and women in this age group showed similar increases, 3.1 percentage points and 3.2 percentage points, respectively, over the year. The employment–population ratio for older workers, at 36.5 percent in the fourth quarter of 2020, declined by 2.8 percentage points over the year.[10] This ratio decreased by 3.2 percentage points over the year for men, to 42.1 percent, and by 2.5 percentage points for women, to 31.6 percent. (See table 4.)

The unemployment rate rose markedly for those with less education

Among workers ages 25 and older, jobless rates across all education levels spiked to their highest point ever following the onset of the pandemic in the second quarter of 2020 (these data series began in 1992).[11] Unemployment rates for people with less than a high school diploma and for high school graduates reached 19.0 percent and 14.9 percent, respectively, in the second quarter of 2020. For those with some college or an associate degree, and those with a bachelor's degree and higher, jobless rates in the second quarter were 13.0 percent and 7.5 percent, respectively. (See table 5.)

Although these measures improved after the second quarter, they remained about twice as high in the fourth quarter of 2020, as compared with a year earlier. The jobless rate for people with less than a high school diploma was 9.6 percent in the fourth quarter of 2020, 4.1 percentage points higher than a year earlier. The unemployment rate for high school graduates with no college degree (7.9 percent) and for those with some college or an associate degree (6.4 percent) increased by a similar amount over the year (by 4.2 percentage points and 3.5 percentage points, respectively). The rate for those with a bachelor's degree and higher increased by 2.1 percentage points over the year, reaching 4.1 percent in the fourth quarter of 2020. As has historically been the case, jobless rates for those with higher levels of education remained well below the rates for those with less formal education. (See table 5 and chart 4.)

Table 5. Employment status of the civilian noninstitutional population ages 25 years and older, by educational attainment, quarterly averages, seasonally adjusted, 2019–20 (levels in thousands)

Characteristic	Fourth quarter, 2019	2020				Change, fourth quarter 2019 to fourth quarter 2020
		First quarter	Second quarter	Third quarter	Fourth quarter	
Less than a high school diploma						
Civilian labor force	9,726	9,513	8,458	8,543	9,197	–529
Participation rate	46.3	46.4	42.9	44.5	45.6	–0.7
Employed	9,194	8,934	6,849	7,454	8,310	–884
Employment–population ratio	43.8	43.5	34.7	38.8	41.2	–2.6
Unemployed	533	580	1,609	1,089	887	354
Unemployment rate	5.5	6.1	19.0	12.7	9.6	4.1
High school graduates, no college						
Civilian labor force	36,164	35,821	33,519	34,434	35,189	–975
Participation rate	58.0	58.0	54.9	55.2	55.6	–2.4
Employed	34,814	34,449	28,517	31,042	32,413	–2,401

See footnotes at end of table.

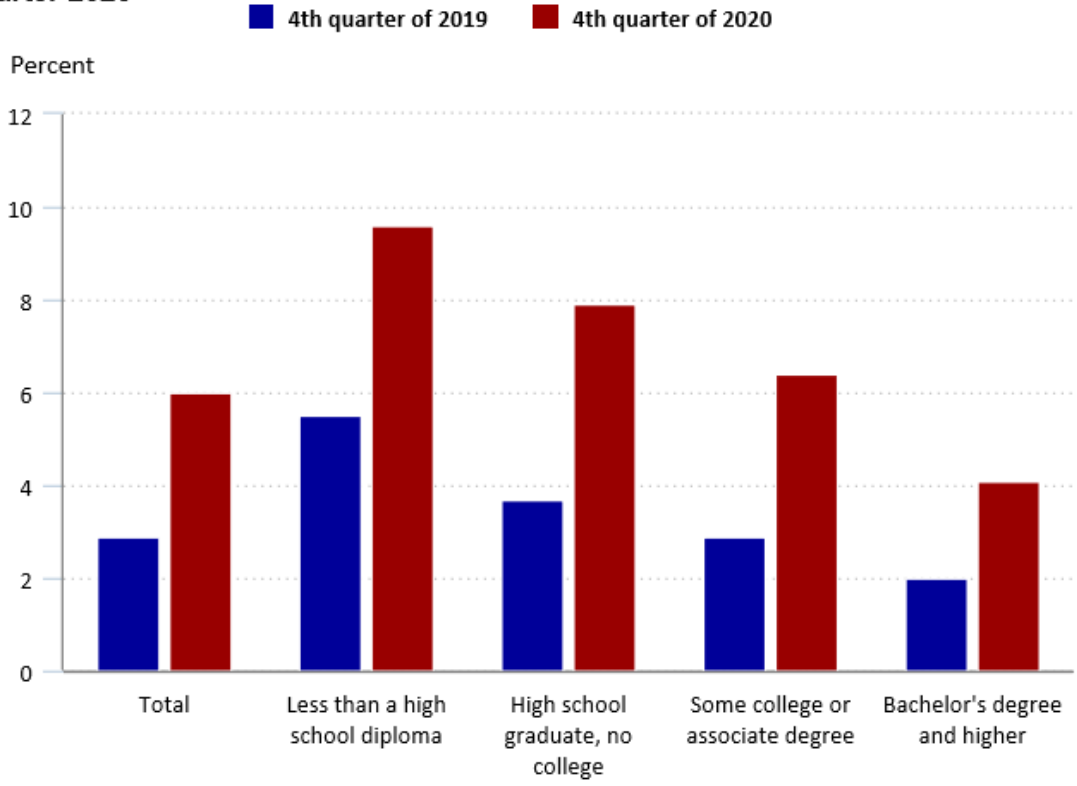
Table 5. Employment status of the civilian noninstitutional population ages 25 years and older, by educational attainment, quarterly averages, seasonally adjusted, 2019–20 (levels in thousands)

Characteristic	Fourth quarter, 2019	2020				Change, fourth quarter 2019 to fourth quarter 2020
		First quarter	Second quarter	Third quarter	Fourth quarter	
Employment–population ratio	55.9	55.8	46.7	49.8	51.2	–4.7
Unemployed	1,351	1,372	5,002	3,392	2,776	1,425
Unemployment rate	3.7	3.8	14.9	9.9	7.9	4.2
Some college or associate degree						
Civilian labor force	37,483	37,236	36,298	36,376	35,694	–1,789
Participation rate	64.7	64.5	63.2	63.8	62.4	–2.3
Employed	36,392	36,066	31,578	33,226	33,408	–2,984
Employment–population ratio	62.8	62.5	55.0	58.3	58.4	–4.4
Unemployed	1,090	1,170	4,720	3,150	2,285	1,195
Unemployment rate	2.9	3.1	13.0	8.7	6.4	3.5
Bachelor's degree and higher						
Civilian labor force	59,856	60,211	60,782	61,162	59,696	–160
Participation rate	73.8	73.3	72.1	72.3	72.0	–1.8
Employed	58,666	58,936	56,196	57,753	57,267	–1,399
Employment–population ratio	72.4	71.8	66.6	68.3	69.1	–3.3
Unemployed	1,190	1,276	4,587	3,409	2,429	1,239
Unemployment rate	2.0	2.1	7.5	5.6	4.1	2.1

Note: Updated population controls are introduced annually with the release of January data.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Chart 4. Unemployment rates for people ages 25 years and older, by educational attainment, seasonally adjusted, fourth quarter 2019 and fourth quarter 2020



Click legend items to change data display. Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

The number of unemployed on temporary layoff surged to unprecedented levels

Unemployed people are grouped by their reasons for unemployment. People are unemployed because they either (1) were on temporary layoff, permanently lost their job, or completed a temporary job (referred to as job losers); (2) voluntarily left their job (job leavers); (3) reentered the labor force (reentrants); or (4) entered the labor force for the first time (new entrants).

The number of job losers rose to an unprecedented level during the pandemic. By comparison, following the Great Recession, the number of unemployed job losers peaked at 9.8 million in the fourth quarter of 2009. It then steadily declined throughout the record-long economic expansion, bottoming out at 2.7 million in the fourth quarter of 2019. By the second quarter of 2020, however, the number of unemployed people who lost their job surged to 17.7 million, the highest quarterly average in the history of the data series. Virtually all of this increase consisted of people on temporary layoff, rising from 799,000 in the fourth quarter of 2019 to 14.7 million in the second quarter of 2020, the highest level on record.[12] (See table 6.)

The number of unemployed job losers declined after the second quarter of 2020, as the number of people on temporary layoff declined sharply. In the fourth quarter of 2020, out of the 7.5 million unemployed people who had lost their job, about 40 percent were on temporary layoff, down from 83 percent in the second quarter. Although the number of people on temporary layoff decreased from the second quarter of 2020 to the fourth quarter, the number of people not on temporary layoff (permanent job losers, and those who completed temporary jobs) increased in 2020. The number of people who permanently lost their jobs, at 3.6 million in the fourth quarter of 2020, increased by 2.2 million over the year.

The number of unemployed reentrants—people who previously worked but had been out of the labor force before they began their job search—increased by 357,000 over the year, to 2.1 million in the fourth quarter. The number of job leavers (people who voluntarily left their job) edged down by 73,000 over the year, reaching 735,000 in the fourth quarter of 2020. The number of new entrants, at 529,000 in the fourth quarter of 2020, was little changed from the prior year. (See table 6 and chart 5.)

Table 6. Unemployed people, by reason and duration of unemployment, quarterly averages, seasonally adjusted, 2019–20 (levels in thousands)

Reason and duration	Fourth quarter, 2019	2020				Change, fourth quarter 2019 to fourth quarter 2020
		First quarter	Second quarter	Third quarter	Fourth quarter	
Reason for unemployment						
Job losers and people who completed temporary jobs	2,742	3,153	17,738	10,726	7,454	4,712
On temporary layoff	799	1,146	14,650	6,676	3,011	2,212
Not on temporary layoff	1,943	2,007	3,088	4,050	4,443	2,500
Permanent job losers	1,322	1,373	2,397	3,277	3,569	2,247
people who completed temporary jobs	621	634	691	773	874	253
Job leavers	808	770	567	661	735	–73
Reentrants	1,721	1,800	1,818	2,180	2,078	357
New entrants	587	533	506	532	529	–58
Percent distribution						
Job losers and people who completed temporary jobs	46.8	50.4	86.0	76.1	69.0	22.2
On temporary layoff	13.6	18.3	71.0	47.3	27.9	14.3
Not on temporary layoff	33.2	32.1	15.0	28.7	41.2	8.0
Job leavers	13.8	12.3	2.7	4.7	6.8	–7.0
Reentrants	29.4	28.8	8.8	15.5	19.2	–10.2
New entrants	10.0	8.5	2.5	3.8	4.9	–5.1
Duration of unemployment						
Less than 5 weeks	2,030	2,526	7,003	2,684	2,618	588
5 to 14 weeks	1,735	1,763	11,114	3,714	2,323	588
15 weeks or longer	2,081	1,981	2,411	7,813	5,839	3,758
15 to 26 weeks	876	827	1,222	5,986	2,033	1,157
27 weeks or longer	1,205	1,154	1,188	1,827	3,807	2,602
Average (mean) duration in weeks	20.8	19.9	10.6	19.4	22.6	1.8
Median duration, in weeks	9.2	8.1	7.6	16.5	18.2	9.0

See footnotes at end of table.

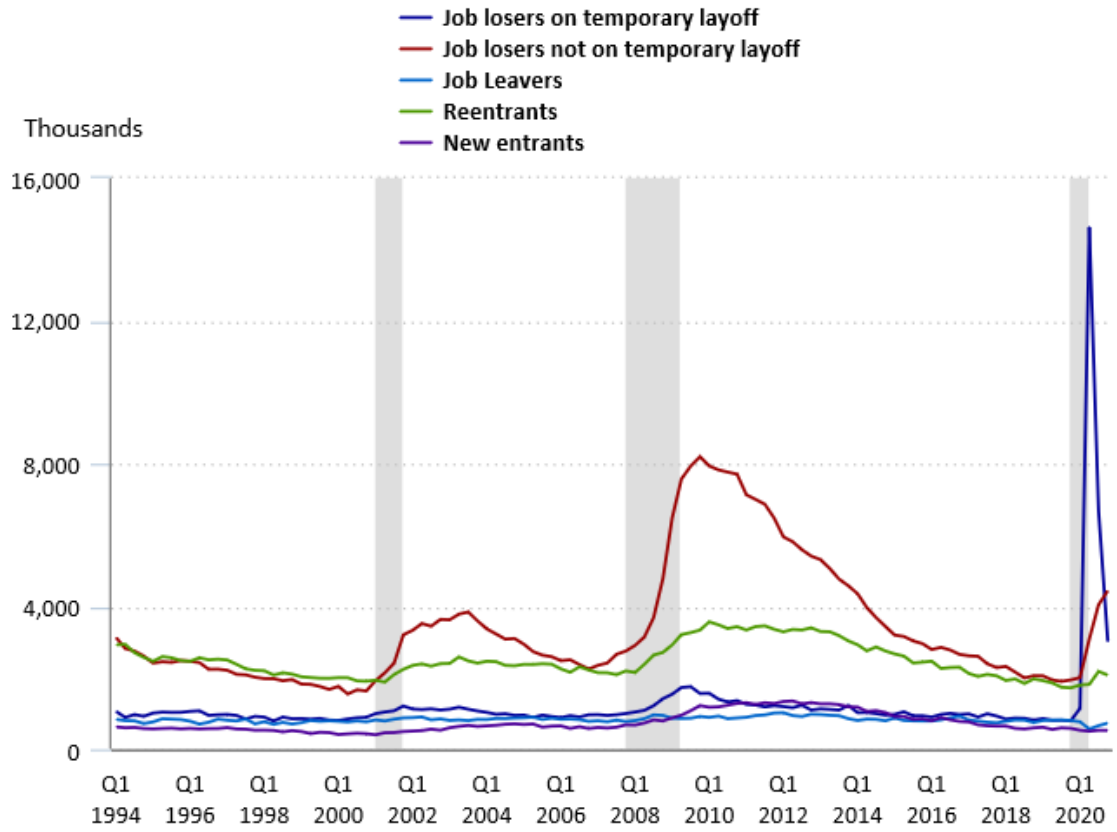
Table 6. Unemployed people, by reason and duration of unemployment, quarterly averages, seasonally adjusted, 2019–20 (levels in thousands)

Reason and duration	Fourth quarter, 2019	2020				Change, fourth quarter 2019 to fourth quarter 2020
		First quarter	Second quarter	Third quarter	Fourth quarter	
Percent distribution						
Less than 5 weeks	34.7	40.3	34.1	18.9	24.3	–10.4
5 to 14 weeks	29.7	28.1	54.1	26.1	21.5	-8.2
15 weeks or longer	35.6	31.6	11.7	55.0	54.2	18.6
15 to 26 weeks	15.0	13.2	6.0	42.1	18.9	3.9
27 weeks or longer	20.6	18.4	5.8	12.9	35.3	14.7

Note: Updated population controls are introduced annually with the release of January data.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Chart 5. Number of unemployed people, by reason for unemployment, quarterly averages, seasonally adjusted, 1994–2020



Click legend items to change data display. Hover over chart to view data.
Note: Shaded areas represent recessions (quarterly turning points) as determined by the National Bureau of Economic Research (NBER). When this chart was published, NBER had not yet determined an endpoint for the recession that began in the fourth quarter of 2019. Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, and Q4 = fourth quarter.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

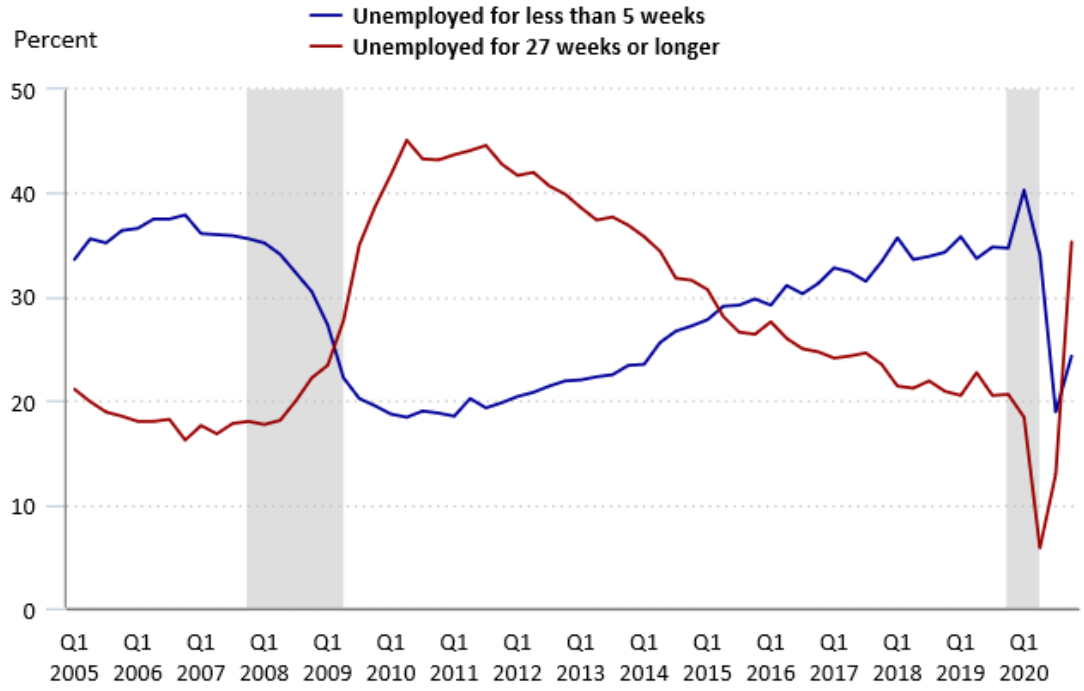
The duration of unemployment changed markedly after the initial pandemic shock

The evolving effects of the pandemic on the labor market in 2020 were also evident in the changing estimates of the duration of unemployment during the year. For instance, as unemployment surged following the onset of the pandemic, there was an increase in the number of people who were newly unemployed—that is, those unemployed for less than 5 weeks. Those who were unemployed for less than 5 weeks accounted for 34.7 percent of the total unemployed in the last quarter of 2019; that figure increased to 40.3 percent in the first quarter of 2020, when the effects of the pandemic first became noticeable. After peaking early in the second quarter, the share of the unemployed who were unemployed for less than 5 weeks began to decrease and the number of those unemployed for 5 to 14 weeks began to increase.

The share of those unemployed for 5 to 14 weeks rose from 29.7 percent in the fourth quarter of 2019 to 54.1 percent in the second quarter of 2020, before it began to decline. As the year progressed, the initial surge in unemployment continued to move through the longer duration categories. By the third quarter of 2020, the number of people who were unemployed for 15 to 26 weeks represented the largest share of the total unemployed, at 42.1 percent.

Because of the large and rapid influx of newly unemployed people, the long-term unemployed—those looking for work for 27 weeks or more—initially accounted for a declining share of the total unemployed, representing only 5.8 percent of the total unemployed in the second quarter of 2020, the smallest share since 1970.[13] However, by the fourth quarter of 2020, the number of people who were long-term unemployed had increased to 3.8 million, which was more than triple the prepandemic level of 1.2 million and represented 35.3 percent of the total unemployed. (See chart 6.)

Chart 6. Unemployed people by duration of unemployment as a percentage of total unemployed, quarterly averages, 2005–20

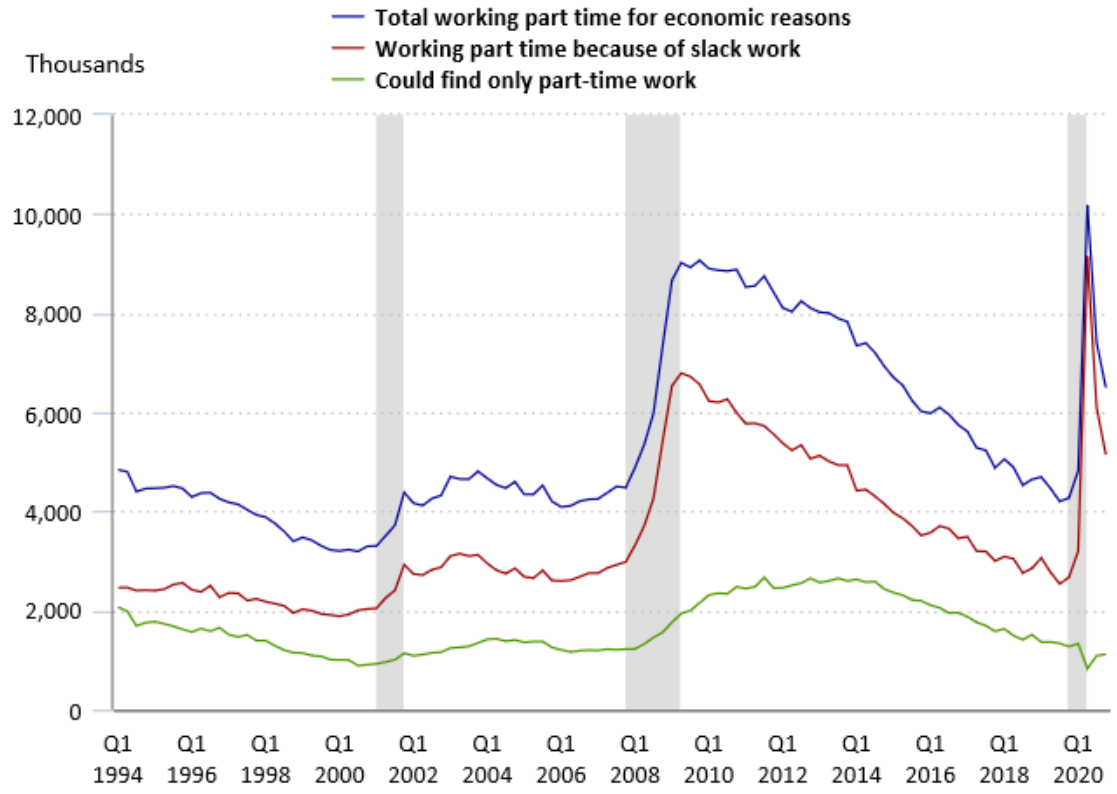


Click legend items to change data display. Hover over chart to view data.
Note: Data for people who were unemployed for less than 5 weeks and for 27 weeks or longer are seasonally adjusted. Shaded areas represent recessions (quarterly turning points) as determined by the National Bureau of Economic Research (NBER). When this chart was published, NBER had not yet determined an endpoint for the recession that began in the fourth quarter of 2019. Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, and Q4 = fourth quarter.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

The number of involuntary part-time workers increased over the year

People who work part time for economic reasons, often referred to as involuntary part-time workers, worked less than 35 hours per week but would have preferred full-time employment.[14] They mainly worked a reduced number of hours because of unfavorable business conditions (slack work) or their inability to find full-time work. Involuntary part-time workers are often described as underemployed. (See chart 7.)

Chart 7. Number of people employed part time for economic reasons, quarterly averages, seasonally adjusted, 1994–2020



Click legend items to change data display. Hover over chart to view data.
Note: Shaded areas represent recessions (quarterly turning points) as determined by the National Bureau of Economic Research (NBER). When this chart was published, NBER had not yet determined an endpoint for the recession that began in the fourth quarter of 2019. Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, and Q4 = fourth quarter.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

The number of involuntary part-time workers increased by 2.2 million over the year, averaging 6.5 million in the fourth quarter of 2020, which represented 4.3 percent of total employment, compared with 2.7 percent of employment the previous year. This measure of the underemployed reached an all-time high of 10.2 million in the second quarter of 2020, with essentially all of the increase occurring among those working part time because of slack work. The number of people who could only find part-time work declined by 156,000 over the year, dropping to 1.1 million in 2020.

Before the pandemic, men and women each accounted for about half of involuntary part-time workers, but men made up slightly more than half of the underemployed at the end of 2020. The number of men who worked part time for economic reasons increased by 1.2 million, or 57 percent, from the fourth quarter of 2019 to the fourth quarter of 2020, ending the year at 3.3 million. Over the same period, the number of women working part time for economic reasons increased by 1.0 million, or 50 percent, to 3.0 million. (These data are not seasonally adjusted.)

The number of self-employed workers declined in 2020

The number of self-employed workers whose businesses were unincorporated fell from 9.6 million in the fourth quarter of 2019 to 8.6 million in the second quarter of 2020, a 10-percent decline. By the fourth quarter of 2020, employment for this group, at 9.5 million, had nearly recovered to the prepandemic level. In the fourth quarter of 2020, there were 6.1 million self-employed workers whose businesses were incorporated (data are not seasonally adjusted), 267,000 less than a year earlier.

The unemployment rate for veterans nearly doubled over the year

There were 18.3 million veterans ages 18 and older in the civilian noninstitutional population in the fourth quarter of 2020. Veterans who served during World War II, the Korean War, and the Vietnam era account for the largest share of the veteran population, at 6.7 million, followed by veterans who served during Gulf War era II (4.5 million) and Gulf War era I (3.1 million). Four million veterans served on active duty during "other service periods," mainly between the Korean War and the Vietnam era and between the Vietnam era and Gulf War era II.[15] Among veterans, women accounted for 10 percent of the total veteran population in the fourth quarter of 2020.

In the fourth quarter of 2020, the unemployment rate for veterans was 5.7 percent (not seasonally adjusted), up by 2.6 percentage points over the year. The unemployment rate for nonveterans, at 6.5 percent in the fourth quarter, increased by 3.3 percentage points over the year. Among the youngest veterans, the jobless rate for Gulf War-era II veterans (those who served from September 2001 to the present), at 6.1 percent in the fourth quarter of 2020, increased by 2.3 percentage points from a year earlier. The unemployment rate for male veterans, at 5.9 percent, increased by 3.0 percentage points over the year, while the jobless rate for female veterans, at 4.7 percent, changed little over the same period. (See table 7.)

Table 7. Employment status of people ages 18 years and older, by veteran status, period of service, and gender, quarterly averages, not seasonally adjusted, 2019–20 (levels in thousands)

Employment status, veteran status, and period of service	Total			Men			Women		
	Fourth quarter, 2019	Fourth quarter, 2020	Change, fourth quarter 2019 to fourth quarter 2020	Fourth quarter, 2019	Fourth quarter, 2020	Change, fourth quarter 2019 to fourth quarter 2020	Fourth quarter, 2019	Fourth quarter, 2020	Change, fourth quarter 2019 to fourth quarter 2020
Veterans, 18 years and older									
Civilian labor force	9,187	8,721	–466	8,094	7,607	–487	1,092	1,114	22
Participation rate	49.2	47.6	–1.6	48.2	46.4	–1.8	57.8	58.4	0.6
Employed	8,905	8,222	–683	7,859	7,161	–698	1,046	1,062	16
Employment–population ratio	47.7	44.9	–2.8	46.8	43.6	–3.2	55.3	55.6	0.3
Unemployed	282	499	217	236	446	210	46	52	6
Unemployment rate	3.1	5.7	2.6	2.9	5.9	3.0	4.2	4.7	0.5
Gulf War-era II veterans									
Civilian labor force	3,464	3,502	38	2,942	2,960	18	522	541	19
Participation rate	79.2	77.4	–1.8	81.7	79.2	–2.5	67.5	68.4	0.9
Employed	3,333	3,289	–44	2,847	2,773	–74	486	516	30

See footnotes at end of table.

Table 7. Employment status of people ages 18 years and older, by veteran status, period of service, and gender, quarterly averages, not seasonally adjusted, 2019–20 (levels in thousands)

Employment status, veteran status, and period of service	Total			Men			Women		
	Fourth quarter, 2019	Fourth quarter, 2020	Change, fourth quarter 2019 to fourth quarter 2020	Fourth quarter, 2019	Fourth quarter, 2020	Change, fourth quarter 2019 to fourth quarter 2020	Fourth quarter, 2019	Fourth quarter, 2020	Change, fourth quarter 2019 to fourth quarter 2020
Employment–population ratio	76.2	72.7	–3.5	79.1	74.2	–4.9	62.9	65.2	2.3
Unemployed	130	213	83	95	187	92	35	26	–9
Unemployment rate	3.8	6.1	2.3	3.2	6.3	3.1	6.8	4.7	–2.1
Gulf War-era I veterans									
Civilian labor force	2,305	2,257	–48	1,984	1,933	–51	321	324	3
Participation rate	74.7	73.2	–1.5	75.8	74.4	–1.4	68.7	67.0	–1.7
Employed	2,241	2,148	–93	1,925	1,837	–88	316	310	–6
Employment–population ratio	72.7	69.7	–3.0	73.6	70.7	–2.9	67.6	64.1	–3.5
Unemployed	64	109	45	59	95	36	5	14	9
Unemployment rate	2.8	4.8	2.0	3.0	4.9	1.9	1.6	4.3	2.7
World War II, Korean War, and Vietnam-era veterans									
Civilian labor force	1,459	1,167	–292	1,412	1,135	–277	47	33	–14
Participation rate	20.7	17.5	–3.2	20.7	17.6	–3.1	19.2	14.0	–5.2
Employed	1,417	1,111	–306	1,370	1,080	–290	47	31	–16
Employment–population ratio	20.1	16.6	–3.5	20.1	16.8	–3.3	19.1	13.5	–5.6
Unemployed	42	56	14	42	55	13	0	1	1
Unemployment rate	2.9	4.8	1.9	2.9	4.8	1.9	–	–	–
Veterans of other service periods									
Civilian labor force	1,959	1,795	–164	1,757	1,579	–178	202	216	14
Participation rate	47.1	44.5	–2.6	46.8	43.5	–3.3	49.9	54.0	4.1
Employed	1,914	1,675	–239	1,717	1,470	–247	197	204	7
Employment–population ratio	46.0	41.5	–4.5	45.7	40.5	–5.2	48.6	51.1	2.5
Unemployed	46	121	75	41	109	68	5	12	7
Unemployment rate	2.3	6.7	4.4	2.3	6.9	4.6	2.5	5.4	2.9
Nonveterans, 18 years and older									
Civilian labor force	153,028	149,779	–3,249	77,656	76,442	–1,214	75,371	73,337	–2,034
Participation rate	65.9	64.0	–1.9	74.3	72.5	–1.8	58.9	57.1	–1.8
Employed	148,080	140,099	–7,981	75,085	71,356	–3,729	72,995	68,743	–4,252
Employment–population ratio	63.7	59.9	–3.8	71.9	67.7	–4.2	57.1	53.5	–3.6
Unemployed	4,948	9,680	4,732	2,571	5,086	2,515	2,377	4,594	2,217
Unemployment rate	3.2	6.5	3.3	3.3	6.7	3.4	3.2	6.3	3.1

See footnotes at end of table.

Note: Veterans are men and women who previously served on active duty in the U.S. Armed Forces and were not on active duty at the time of the survey. Nonveterans never served on active duty in the U.S. Armed Forces. Veterans could have served anywhere in the world during these periods of service: Gulf War era II (September 2001–present), Gulf War era I (August 1990–August 2001), Vietnam era (August 1964–April 1975), Korean War (July 1950–January 1955), World War II (December 1941–December 1946), and other service periods (all other periods). Veterans are only counted in one period of service: their most recent wartime period. Veterans who served in both a wartime period and any other service period are classified in the wartime period. Dash indicates no data available, data that do not meet publication criteria, or a base that is less than 60,000.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

In the fourth quarter of 2020, the labor force participation rate for veterans was 47.6 percent, while the rate for nonveterans was 64.0 percent. The participation rate for veterans declined by 1.6 percentage points over the year, and the rate for nonveterans declined by 1.9 percentage points over the same period. Labor force participation rates—for both veterans and nonveterans—tend to be lower for older people than they are for people of prime working age. For instance, the labor force participation rate for those who served during World War II, the Korean War, and the Vietnam era—who are all over the age of 60 and accounted for 36 percent of the veteran population—was 17.5 percent in the fourth quarter of 2020, down by 3.2 percentage points over the year. By contrast, Gulf War-era II veterans—who tend to be younger—had a much higher participation rate, 77.4 percent, which was little changed from a year earlier. (See table 7.)

The unemployment rate for people with a disability increased to a double-digit level

Many people experienced challenging labor market conditions in 2020, including those with a disability. The unemployment rate for people with a disability, at 11.5 percent in the last quarter of 2020, remained much higher than the rate for people without a disability (6.3 percent). (Data are not seasonally adjusted.) The rate for those with a disability increased by 4.6 percentage points in 2020, compared with an increase of 3.1 percentage points for those without a disability.

Among the 29.9 million people ages 16 years and older with a disability in the fourth quarter of 2020, 6.1 million, or 20.3 percent, participated in the labor force. By contrast, the participation rate for people without disability was 66.8 percent. The lower rate for people with a disability reflects, in part, the older age profile of those with a disability; older people, regardless of disability status, are less likely to be in the labor force. About half of all people with a disability were ages 65 and over, nearly 3 times the share of those with no disability. (See table 8.)

Table 8. Employment status of the civilian noninstitutional population, by gender, age, and disability status, quarterly averages, not seasonally adjusted, 2019–20

Employment status, gender, and age	People with a disability			People with no disability		
	Fourth quarter, 2019	Fourth quarter, 2020	Change, fourth quarter 2019 to fourth quarter 2020	Fourth quarter, 2019	Fourth quarter, 2020	Change, fourth quarter 2019 to fourth quarter 2020
Total, 16 years and older						
Civilian labor force	6,256	6,078	–178	158,067	154,434	–3,633
Participation rate	20.6	20.3	–0.3	68.8	66.8	–2.0

See footnotes at end of table.

Table 8. Employment status of the civilian noninstitutional population, by gender, age, and disability status, quarterly averages, not seasonally adjusted, 2019–20

Employment status, gender, and age	People with a disability			People with no disability		
	Fourth quarter, 2019	Fourth quarter, 2020	Change, fourth quarter 2019 to fourth quarter 2020	Fourth quarter, 2019	Fourth quarter, 2020	Change, fourth quarter 2019 to fourth quarter 2020
Employed	5,824	5,381	–443	153,015	144,702	–8,313
Employment–population ratio	19.2	18.0	–1.2	66.6	62.6	–4.0
Unemployed	432	697	265	5,052	9,732	4,680
Unemployment rate	6.9	11.5	4.6	3.2	6.3	3.1
Men, 16 to 64 years						
Civilian labor force	2,730	2,651	–79	77,958	76,445	–1,513
Participation rate	36.0	35.0	–1.0	82.8	81.5	–1.3
Employed	2,525	2,342	–183	75,382	71,392	–3,990
Employment–population ratio	33.3	30.9	–2.4	80.1	76.1	–4.0
Unemployed	205	310	105	2,576	5,053	2,477
Unemployment rate	7.5	11.7	4.2	3.3	6.6	3.3
Women, 16 to 64 years						
Civilian labor force	2,306	2,344	38	70,322	68,389	–1,933
Participation rate	30.8	31.7	0.9	72.4	70.5	–1.9
Employed	2,125	2,037	–88	68,090	64,221	–3,869
Employment–population ratio	28.4	27.5	–0.9	70.1	66.2	–3.9
Unemployed	181	307	126	2,232	4,168	1,936
Unemployment rate	7.9	13.1	5.2	3.2	6.1	2.9
Total, 65 years and older						
Civilian labor force	1,219	1,083	–136	9,787	9,600	–187
Participation rate	8.0	7.3	–0.7	25.6	23.7	–1.9
Employed	1,173	1,003	–170	9,543	9,089	–454
Employment–population ratio	7.7	6.7	–1.0	24.9	22.5	–2.4
Unemployed	46	80	34	244	511	267
Unemployment rate	3.8	7.4	3.6	2.5	5.3	2.8

Note: A person with a disability has at least one of the following conditions: is deaf or has serious difficulty hearing; is blind or has serious difficulty seeing even when wearing glasses; has serious difficulty concentrating, remembering, or making decisions because of a physical, mental, or emotional condition; has serious difficulty walking or climbing stairs; has difficulty dressing or bathing; or has difficulty doing errands alone such as visiting a doctor's office or shopping because of a physical, mental, or emotional condition. Updated population controls are introduced annually with the release of January data.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

The foreign-born unemployment rate increased more than the native-born rate in 2020

The foreign born accounted for 17.0 percent of the U.S. civilian labor force ages 16 years and older in the fourth quarter of 2020, down from 17.2 percent a year earlier.[16] Foreign-born people saw a larger increase in their unemployment rate in 2020 (up 4.4 percentage points, to 7.2 percent) than did native-born people (up 2.8

percentage points, to 6.3 percent). (Data are not seasonally adjusted.) Foreign-born workers were more likely to be employed in service occupations and production, transportation, and material moving occupations; as noted previously, these occupations had the largest over-the-year increases in unemployment rates.[17] The employment–population ratio for the foreign born decreased by 4.8 percentage points over the year, dropping to 59.6 percent, while the ratio for the native born decreased by 3.3 percentage points to reach 57.1 percent. (See table 9.)

Table 9. Employment status of the foreign- and native-born populations, by gender, quarterly averages, not seasonally adjusted, 2019–20 (levels in thousands)

Employment status and nativity	Total			Men			Women		
	Fourth quarter, 2019	Fourth quarter, 2020	Change, fourth quarter 2019 to fourth quarter 2020	Fourth quarter, 2019	Fourth quarter, 2020	Change, fourth quarter 2019 to fourth quarter 2020	Fourth quarter, 2019	Fourth quarter, 2020	Change, fourth quarter 2019 to fourth quarter 2020
Foreign born, 16 years and older									
Civilian labor force	28,207	27,314	–893	16,247	15,692	–555	12,249	11,623	–626
Participation rate	66.3	64.2	–2.1	77.9	76.8	–1.1	55.0	52.6	–2.4
Employed	27,420	25,340	–2,080	15,782	14,712	–1,070	11,795	10,628	–1,167
Employment-population ratio	64.4	59.6	–4.8	75.7	72.0	–3.7	53.0	48.1	–4.9
Unemployed	787	1,974	1,187	464	979	515	454	995	541
Unemployment rate	2.8	7.2	4.4	2.9	6.2	3.3	3.7	8.6	4.9
Native born, 16 years and older									
Civilian labor force	136,116	133,198	–2,918	69,724	69,322	–402	64,413	63,876	–537
Participation rate	62.6	60.9	–1.7	66.9	65.5	–1.4	57.9	56.7	–1.2
Employed	131,418	124,743	–6,675	67,059	64,634	–2,425	62,179	60,109	–2,070
Employment-population ratio	60.4	57.1	–3.3	64.3	61.1	–3.2	55.9	53.3	–2.6
Unemployed	4,698	8,455	3,757	2,664	4,688	2,024	2,234	3,767	1,533
Unemployment rate	3.5	6.3	2.8	3.8	6.8	3.0	3.5	5.9	2.4

Note: The foreign born are those residing in the United States who were not U.S. citizens at birth. That is, they were born outside of the United States or one of its outlying areas, such as Puerto Rico or Guam, to parents who were not U.S. citizens. This group includes legally admitted immigrants, refugees, students, temporary workers, and undocumented immigrants. The survey data, however, do not separately identify the number of people in these different categories. The native born are people who were born in the United States or one of its outlying areas, such as Puerto Rico or Guam, or who were born abroad of at least one parent who was a U.S. citizen.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Although labor force participation declined for both the native born and the foreign born in 2020, foreign-born people continued to have a higher labor force participation rate than native-born people. The labor force participation rate for the foreign born declined by 2.1 percentage points in 2020, to 64.2 percent, while the rate for the native born decreased by 1.7 percentage points, to 60.9 percent.

The number of people not in the labor force increased by 4.9 million

People who are not employed or unemployed are classified as not in the labor force.[18] The total number of people not in the labor force increased by 4.9 million over the year to reach 100.5 million at the end of 2020. Although most people who are not in the labor force do not want a job, the number of people who do want a job but had not sought employment in the 4 weeks preceding the survey increased by 2.2 million over the year, reaching 7.0 million in the fourth quarter of 2020. (See table 10.)

Table 10. Number of people not in the labor force, quarterly averages, seasonally adjusted, 2019–20 (in thousands)

Category	Fourth quarter, 2019	2020				Change, fourth quarter 2019 to fourth quarter 2020
		First quarter, 2020	Second quarter, 2020	Third quarter, 2020	Fourth quarter, 2020	
Total not in the labor force	95,581	95,755	101,891	100,231	100,473	4,892
People who currently want a job	4,834	5,149	8,990	7,304	7,047	2,213
Marginally attached to the labor force[1]	1,252	1,401	2,382	1,990	2,076	824
Discouraged workers[2]	308	424	635	601	637	329

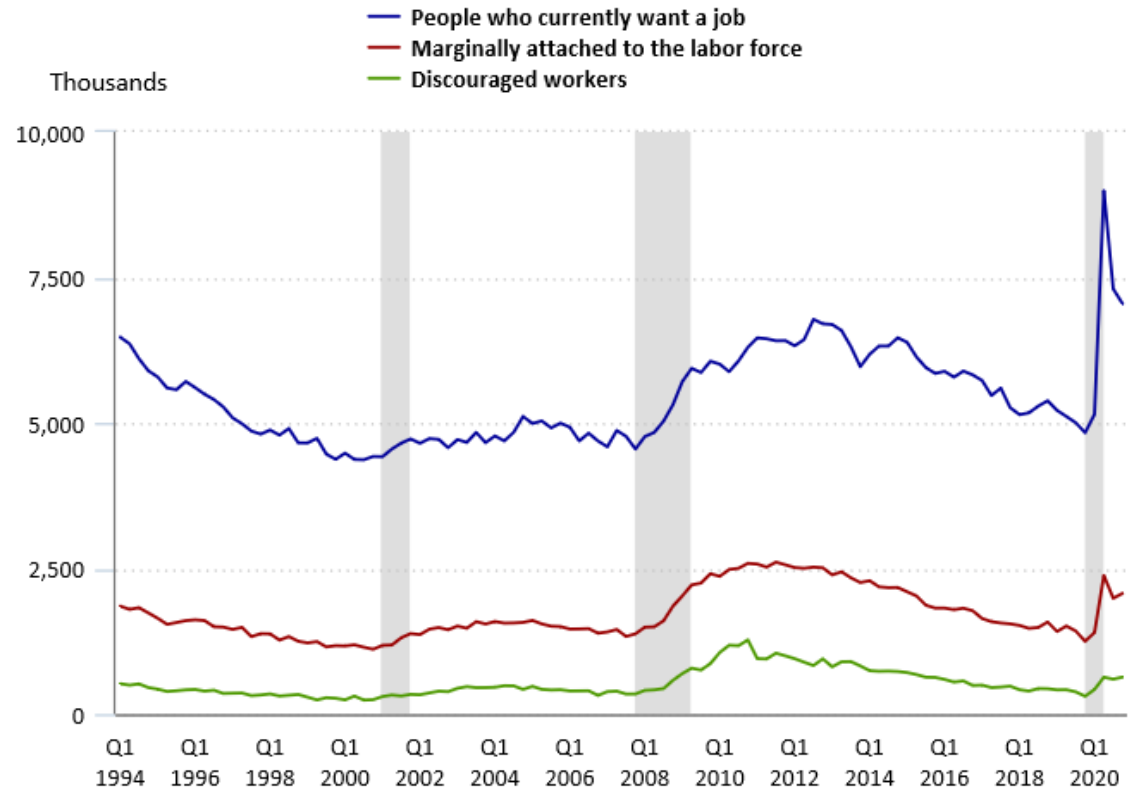
[1] The marginally attached refer to people who want a job, have searched for work during the prior 12 months, and were available to take a job during the reference week but had not looked for work in the 4 weeks prior to the survey.

[2] Discouraged workers include people who did not actively look for work in the 4 weeks prior to the survey for reasons such as they thought that no work is available, they could not find work, they lack schooling or training, the employer thinks they are too young or old, and other types of discrimination.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

People who were not in the labor force were considered marginally attached to the labor force if they wanted a job, were available for work, and had looked for work in the prior 12 months (but not in the 4 weeks before the survey). In the fourth quarter of 2020, 2.1 million people were marginally attached to the labor force, an increase of 824,000 from a year earlier. (See chart 8.)

Chart 8. People not in the labor force, quarterly averages, 1994–2020



Click legend items to change data display. Hover over chart to view data.
Note: Shaded areas represent recessions (quarterly turning points) as determined by the National Bureau of Economic Research (NBER). When this chart was published, NBER had not yet determined an endpoint for the recession that began in the fourth quarter of 2019. Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, and Q4 = fourth quarter.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

A subset of the marginally attached are discouraged workers—people not currently looking for work because they are discouraged over their job prospects.[19] In the fourth quarter of 2020, the number of discouraged workers, at 637,000, was about twice the number from a year earlier.

All six measures of labor underutilization increased in 2020

Each of the six measures of labor underutilization increased in 2020. In the third quarter of 2020, U-1, at 4.9 percent, reached its highest level since the fourth quarter of 2011, before it decreased to 3.6 percent in the fourth quarter of 2020. (See the box that follows for more information about the six measures of labor underutilization.) Because U-1 is a measure of people who were unemployed for 15 weeks or longer, the rate remained low in the early days of the pandemic; the U-1 rate increased later in the year, as many unemployed people were not recalled to work as they originally expected, while others lost their jobs permanently and did not find new work, despite searching for work for 3 months or longer.

Alternative measures of labor underutilization

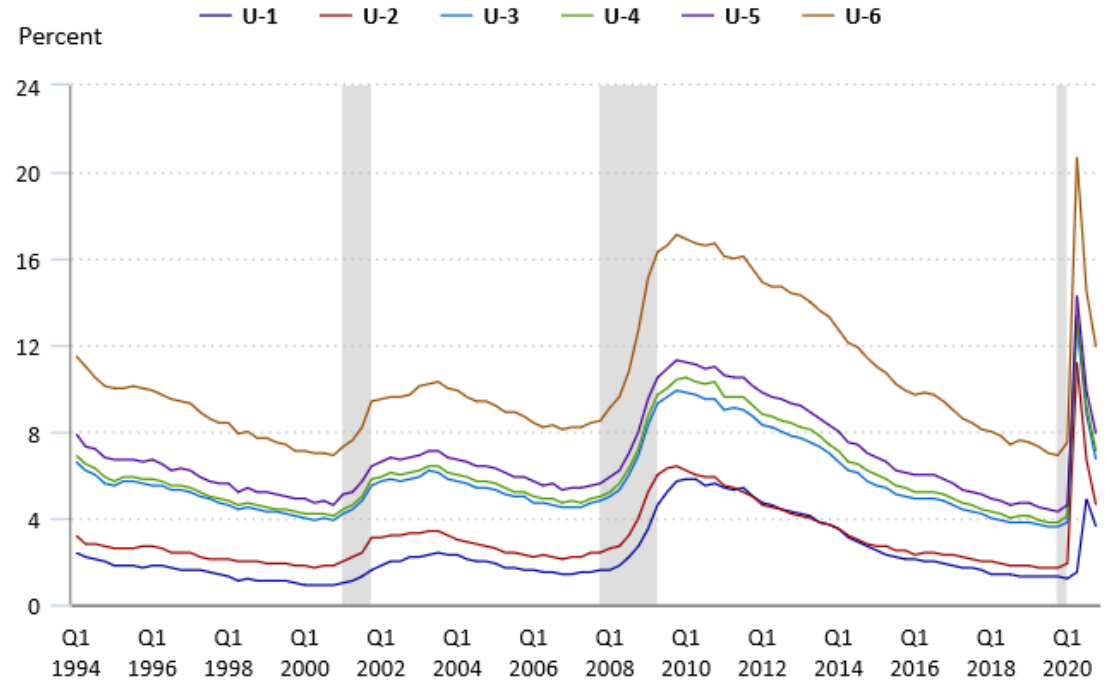
Six alternative measures of labor underutilization have been available on a monthly basis from the Current Population Survey for the United States as a whole since 1994. The official unemployment rate (U-3 in the six alternative measures) includes all jobless people who are available to take a job and have actively sought work in the past 4 weeks (as well as people on temporary layoff). The other measures encompass concepts both narrower (U-1 and U-2) and broader (U-4, U-5, and U-6) than the official unemployment rate. The six measures are defined as follows:

- U-1: people unemployed 15 weeks or longer, as a percent of the civilian labor force;
- U-2: job losers and people who completed temporary jobs, as a percent of the civilian labor force;
- U-3: total unemployed, as a percent of the civilian labor force (this is the definition used for the official unemployment rate);
- U-4: total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers;
- U-5: total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percent of the civilian labor force plus all marginally attached workers;
- U-6: total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.

Discouraged workers (included in the U-4, U-5, and U-6 measures) are people who are not in the labor force, want and are available for work, and had looked for a job sometime in the prior 12 months. They are not counted as unemployed because they had not searched for work in the 4 weeks preceding the survey. Discouraged workers are not currently looking for work specifically because they believe that no jobs are available for them or there are none for which they are qualified. The group of people who are marginally attached to the labor force (included in the U-5 and U-6 measures) includes discouraged workers. The criteria for the marginally attached are the same as for discouraged workers, with the exception that any reason can be cited for their lack of job search in the 4 weeks prior to the survey. People at work part time for economic reasons (included in the U-6 measure) are those working less than 35 hours per week who want to work full time, are available to do so, and give an economic reason (their hours had been cut back or they were unable to find a full-time job) for working part time. These individuals are sometimes referred to as involuntary part-time workers.

The other five measures of labor underutilization (U2 to U6) reached their highest levels since 1994 in the second quarter of 2020.[20] Each of the five rates have fallen since their peak in the second quarter of 2020; however, the rates in the fourth quarter of 2020 were still well above those of a year earlier. (See chart 9.)

Chart 9. Measures of labor underutilization, quarterly averages, seasonally adjusted, 1994–2020



Click legend items to change data display. Hover over chart to view data.
Note: Shaded areas represent recessions (quarterly turning points) as determined by the National Bureau of Economic Research (NBER). When this chart was published, NBER had not yet determined an endpoint for the recession that began in the fourth quarter of 2019. Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, and Q4 = fourth quarter. The six measures of labor underutilization are defined as follows: U–1 = people unemployed 15 weeks or longer, as a percentage of the civilian labor force; U–2 = job losers and people who completed temporary jobs, as a percentage of the civilian labor force; U–3 = total unemployed, as a percentage of the civilian labor force (official unemployment rate); U–4 = total unemployed plus discouraged workers, as a percentage of the civilian labor force plus discouraged workers; U–5 = total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percentage of the civilian labor force plus all marginally attached workers; U–6 = total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percentage of the civilian labor force plus all marginally attached workers.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

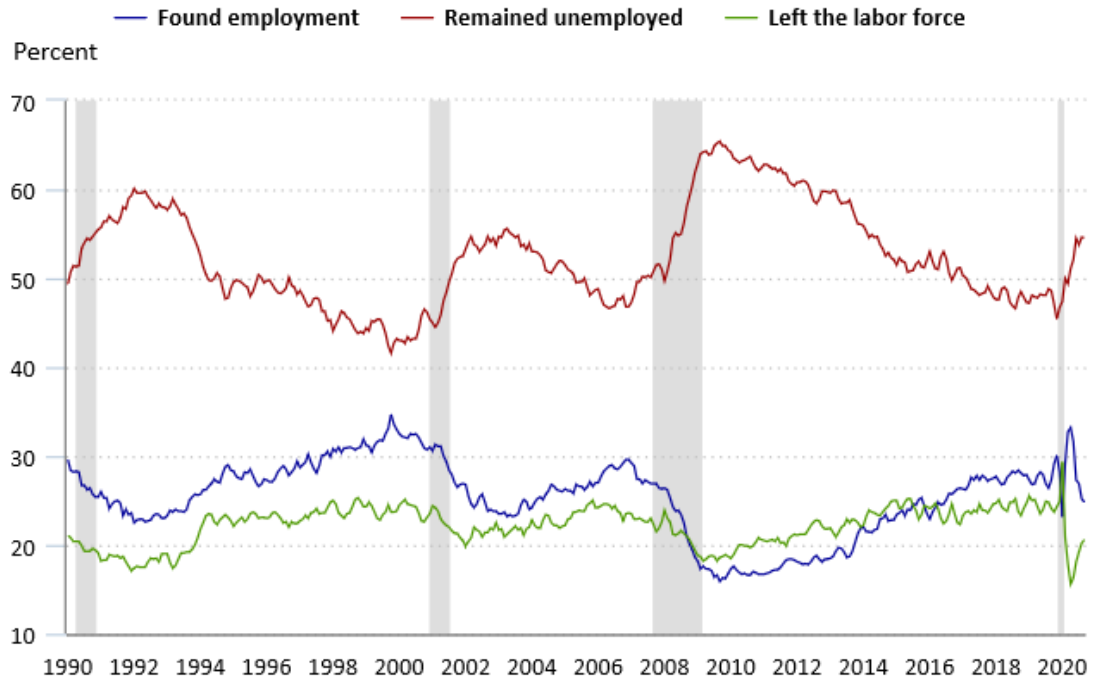
Unemployed people were more likely to remain unemployed than they were before the pandemic

In the CPS, for any given month, a person can be classified in one of three labor force categories: employed, unemployed, or not in the labor force. A person's labor force status can change or remain the same from month to month. For example, an unemployed person could remain unemployed, find employment, or leave the labor force. In 2020, 21.7 million people, or 8.4 percent of the population ages 16 and older, changed their labor force status in an average month. This represents the highest annual rate of change in labor market status since 1990, the first year for which comparable data are available.

The CPS data on labor force flows provide additional insights into changes in the unemployment rate.[21] In December 2020, 54.6 percent of the unemployed remained unemployed in the following month. (Data are seasonally adjusted 3-month moving averages.) This was higher than the percentage a year earlier, when 48.6 percent remained unemployed. Among the unemployed, 24.8 percent found employment and 20.6 percent left the

labor force in December 2020. These measures are down from 27.3 percent and 24.1 percent, respectively, from a year earlier. (See chart 10.)

Chart 10. Percentage of the unemployed who found employment, remained unemployed, or left the labor force, 3-month moving average, seasonally adjusted, April 1990–December 2020



Click legend items to change data display. Hover over chart to view data.
Note: Shaded areas represent recessions (monthly turning points) as determined by the National Bureau of Economic Research (NBER). When this chart was published, NBER had not yet determined an endpoint for the recession that began in February 2020.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

New pandemic-related questions were added to the CPS in May 2020

In May 2020, the CPS included new questions to measure the impact of the COVID-19 pandemic on the labor market.[22] The questions gathered information on whether people teleworked because of the pandemic, whether they were unable to work because their business closed or lost business because of the pandemic, whether they received pay for the time they were unable to work, and whether they were unable to look for work because of the pandemic.

In May 2020, shortly after the onset of the pandemic, 35.4 percent of employed people had teleworked or worked from home at any time during the 4 weeks prior to the survey because of the pandemic.[23] The share of the employed who teleworked trended down during the rest of the year and had dropped to 23.7 percent by December 2020.

People with higher levels of educational attainment were more likely to telework because of the pandemic than those with less formal education. In December 2020, among workers ages 25 and older, 52.0 percent of people with an advanced degree and 37.5 percent of those with only a bachelor's degree had teleworked in the 4 weeks

prior to the survey because of the pandemic.[24] By contrast, only 3.2 percent of people with less than a high school diploma had teleworked in the prior 4 weeks because of the pandemic. (See table 11.)

Table 11. Employed people who teleworked or worked at home for pay at any time in the 4 weeks prior to the survey because of the COVID-19 pandemic, by selected characteristics, December 2020 (levels in thousands)

Characteristic	Total employed	People who teleworked because of the COVID-19 pandemic		Percent distribution	
		Total	Percent of total employed	Total employed	People who teleworked because of the COVID-19 pandemic
Total, 25 years and older	131,817	33,663	25.5	100.0	100.0
Less than a high school diploma	8,288	264	3.2	6.3	0.8
High school graduates, no college	32,006	2,738	8.6	24.3	8.1
Some college or associate degree	33,538	5,677	16.9	25.4	16.9
Bachelor's degree and higher	57,985	24,983	43.1	44.0	74.2
Bachelor's degree only	35,675	13,372	37.5	27.1	39.7
Advanced degree	22,309	11,611	52.0	16.9	34.5

Note: Data for people who teleworked because of the COVID-19 pandemic refer to those who teleworked or worked at home specifically because of the COVID-19 pandemic and do not include people whose telework was unrelated to the pandemic, such as those who worked entirely from home before the pandemic. The data are not seasonally adjusted.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

As noted previously, people working in food preparation and serving related occupations were among those most affected by the pandemic—this occupation had the highest unemployment rate (19.6 percent) among the major occupational groups in 2020.[25] People in these occupations tend to be younger—39.4 percent of workers in food preparation and serving related occupations were ages 16 to 24, compared with 11.6 percent for all occupations. (Data are 2020 annual averages.) Although some workers could continue doing their jobs remotely, telework was not a viable option for many restaurant workers, and this was reflected in the data on pandemic-related telework. In December 2020, only 2.8 percent of workers in food preparation and serving related occupations had teleworked.

This pattern was also evident in the age breakdown of pandemic-related telework.[26] In December 2020, 10.3 percent of workers ages 16 to 24 had teleworked in the 4 weeks prior to the survey because of the pandemic, compared with 26.7 percent of workers ages 25 to 54 and 22.3 percent of workers ages 55 and over.

In May 2020, 49.8 million people (19.2 percent of the population) reported that they could not work at some point during the 4 weeks prior to the survey because their employer closed or lost business as a result of the pandemic. This measure includes people whose hours had been reduced and those who were unemployed or not in the labor

force. By December, the number of people unable to work because of the pandemic had decreased to 15.8 million, or 6.1 percent of the population. (Data are not seasonally adjusted.)

People who could not work because of the pandemic were asked if they had received any pay from their employer for hours they did not work in the 4 weeks prior to the survey. In May 2020, 17.6 percent of those unable to work because of the pandemic received pay. This estimate was lower later in the year—12.8 percent in December.

People who were not in the labor force were asked if the pandemic had prevented them from looking for work in the previous 4 weeks. In May 2020, 9.7 million people were prevented from looking for work because of the pandemic. In December, less than half as many (4.6 million) were prevented from looking for work. This group included 2.2 million who currently wanted a job; if they had looked for work and were available to take a job, they would have been counted among the unemployed. (See table 12.)

Table 12. Percent of people who teleworked, were prevented from working, were paid for hours not worked, and who did not look for work, not seasonally adjusted, May to December, 2020

Month	Month teleworked[1]	Prevented from working[2]	Paid for hours not worked[3]	Did not look for work[4]
May	35.4	19.2	17.6	9.5
June	31.3	15.5	15.4	7.1
July	26.4	12.0	12.6	6.5
August	24.3	9.3	11.6	5.2
September	22.7	7.4	10.3	4.5
October	21.2	5.8	11.7	3.6
November	21.8	5.7	13.7	3.9
December	23.7	6.1	12.8	4.5

[1] These are people who teleworked or worked from home because of the COVID-19 pandemic in the 4 weeks prior to the survey. The question was asked of employed people. People whose telework was not related to the pandemic are not included.

[2] These are people who were unable to work during the 4 weeks prior to the survey because their employer closed or lost business because of the COVID-19 pandemic.

[3] These are people who received pay from their employer for hours not worked in the 4 weeks prior to the survey. The question was asked of people who were unable to work because of the COVID-19 pandemic.

[4] People who were prevented from looking for work within the last 4 weeks because of the COVID-19 pandemic. The question was asked of people who were not in the labor force.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Pandemic-related job losses made it difficult to gauge earnings growth

In 2020, most economic indicators showed the impact of the pandemic, and earnings were no exception. However, changes in median weekly earnings during the year must be interpreted with caution.[27] There was an unusually large increase in median weekly earnings in the second quarter of 2020, but that reflected the precipitous declines in employment among lower paid workers (who were disproportionately affected by job loss related to the pandemic), compared with higher-paid workers.[28] When lower paid workers lost their jobs, they dropped out of the distribution of earnings, and this put upward pressure on the median (the midpoint of the earnings distribution). Earnings data for the third and fourth quarters of the year continued to be affected by the uneven pace of the resumption of labor market activity. This large and abrupt shift in the earnings distribution during the year led to an

increase in earnings in 2020; however, the underlying rate of growth in workers' earnings is difficult to discern because of the sudden and dramatic shift in the earnings distribution.[29]

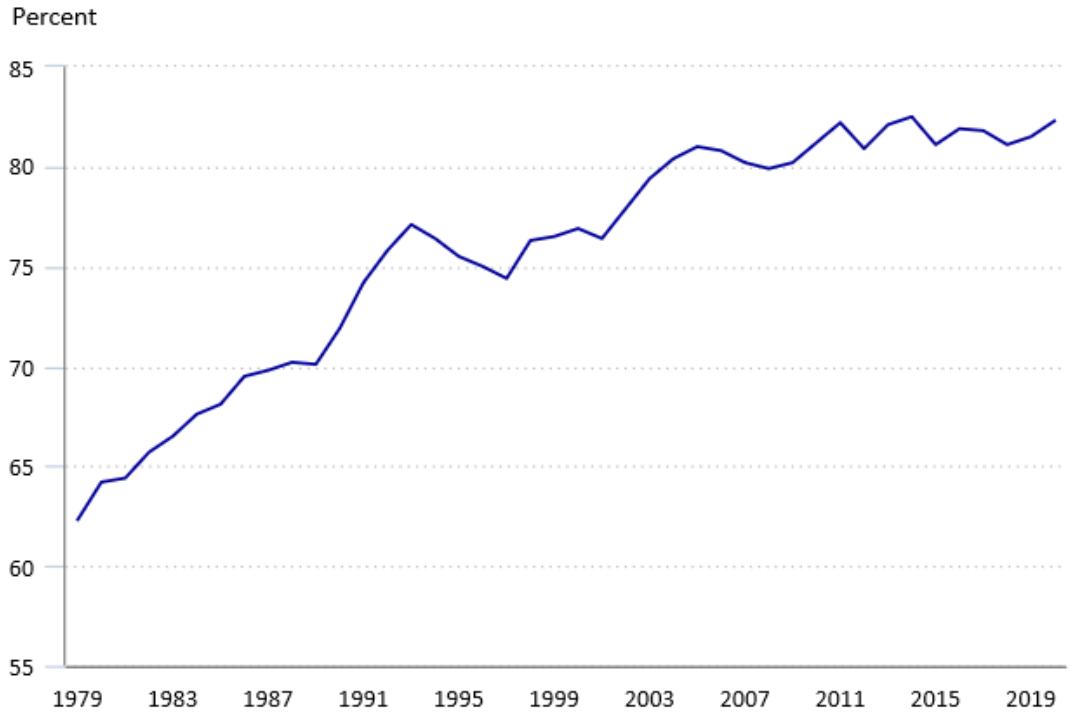
Median usual weekly earnings of full-time wage and salary workers were $984 in 2020. (Data are annual averages and are in current dollars.) Although pandemic-related job losses made it difficult to gauge the trend growth in earnings, the earnings profile in 2020 in terms of major demographic and other characteristics mirrored those of recent years. Women's median weekly earnings in 2020 were $891, or 82.3 percent of men's weekly earnings ($1,082). The women's-to-men's earnings ratio has remained between 80 to 83 percent since 2004. (See table 13 and chart 11.)

Table 13. Median usual weekly earnings of full-time wage and salary workers, by selected characteristics, annual averages, 2019–20

Characteristic	Current dollars		
	2019	2020	Percent change, 2019–20
Total, 16 years and older	$917	$984	7.3
CPI-U (1982–84 = 100)	255.66	258.81	1.2
Men	$1,007	$1,082	7.4
Women	821	891	8.5
White	945	1,003	6.1
Men	1,036	1,110	7.1
Women	840	905	7.7
Black or African American	735	794	8.0
Men	769	830	7.9
Women	704	764	8.5
Asian	1,174	1,310	11.6
Men	1,336	1,447	8.3
Women	1,025	1,143	11.5
Hispanic or Latino ethnicity	706	758	7.4
Men	747	797	6.7
Women	642	705	9.8
Total, 25 years and older	969	1,029	6.2
Less than a high school diploma	592	619	4.6
High school graduate, no college	746	781	4.7
Some college or associate degree	856	903	5.5
Bachelor's degree or higher	1,367	1,421	4.0

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

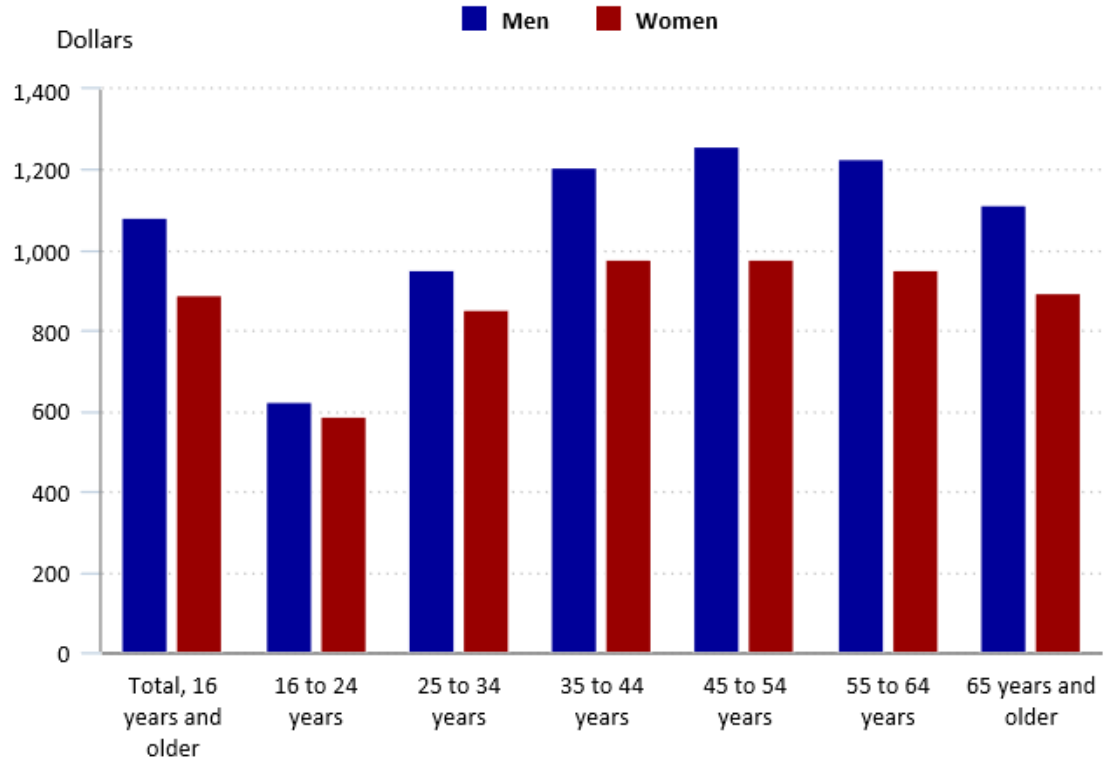
Chart 11. Women's median usual weekly earnings as a percentage of men's, full-time wage and salary workers, annual averages, 1979–2020



Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Earnings also continued to vary by age and gender, exhibiting the same basic patterns as in recent years. For both men and women, earnings were lowest for those ages 16 to 24, followed by 25- to 34-year-olds. Earnings of those ages 35 to 64 ranged from $1,205 to $1,260 for men and $955 to $978 for women. The women's-to-men's earnings ratio was higher among younger workers than among older workers. For example, the ratio was 94.7 percent for 16- to 24-year-olds, compared with 77.5 percent among 45- to 54-year-olds. (See chart 12.)

Chart 12. Median usual weekly earnings of full-time wage and salary workers by age and gender, 2020 annual averages



Click legend items to change data display. Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

In 2020, median weekly earnings among the major race and ethnicity groups continued to be higher for Asians ($1,310) and Whites ($1,003) than for Blacks ($794) and Hispanics ($758). The women's-to-men's earnings ratio varied by race and ethnicity. White women earned 81.5 percent as much as their male counterparts, compared with 92.0 percent for Black women, 79.0 percent for Asian women, and 88.5 percent for Hispanic women.

Earnings are positively correlated with educational attainment.[30] Among full-time wage and salary workers ages 25 and older, workers with a bachelor's degree and higher had median weekly earnings of $1,421. Those with some college or an associate degree had weekly earnings of $903, and earnings for high school graduates (no college) were $781. Workers with less than a high school diploma had the lowest weekly earnings, at $619.

Among the major occupational groups, people employed full time in management, professional, and related occupations had the highest median weekly earnings—$1,578 for men and $1,164 for women. As has historically been the case, men ($704) and women ($574) employed in service occupations earned the least in 2020. (See table 14.)

Table 14. Median usual weekly earnings of full-time wage and salary workers, by occupation and gender, annual averages, 2020

Occupation and gender	Number of workers (in thousands)	Median weekly earnings

See footnotes at end of table.

Table 14. Median usual weekly earnings of full-time wage and salary workers, by occupation and gender, annual averages, 2020

Occupation and gender	Number of workers (in thousands)	Median weekly earnings
Total, 16 years and older	110,387	$984
Management, professional, and related occupations	50,023	1,356
Management, business, and financial operations occupations	20,811	1,461
Professional and related occupations	29,213	1,270
Service occupations	13,771	621
Sales and office occupations	21,165	809
Sales and related occupations	8,958	880
Office and administrative support occupations	12,207	781
Natural resources, construction, and maintenance occupations	10,690	905
Farming, fishing, and forestry occupations	787	589
Construction and extraction occupations	5,826	906
Installation, maintenance, and repair occupations	4,077	984
Production, transportation, and material moving occupations	14,738	746
Production occupations	6,820	775
Transportation and material moving occupations	7,917	719
Men, 16 years and older	60,911	1,082
Management, professional, and related occupations	24,090	1,578
Management, business, and financial operations occupations	11,082	1,667
Professional and related occupations	13,008	1,532
Service occupations	6,740	704
Sales and office occupations	8,435	956
Sales and related occupations	4,991	1,046
Office and administrative support occupations	3,445	868
Natural resources, construction, and maintenance occupations	10,152	917
Farming, fishing, and forestry occupations	600	608
Construction and extraction occupations	5,635	910
Installation, maintenance, and repair occupations	3,917	991
Production, transportation, and material moving occupations	11,494	796
Production occupations	5,055	841
Transportation and material moving occupations	6,439	759
Women, 16 years and older	49,476	891
Management, professional, and related occupations	25,933	1,164
Management, business, and financial operations occupations	9,729	1,274
Professional and related occupations	16,204	1,121
Service occupations	7,032	574
Sales and office occupations	12,729	746
Sales and related occupations	3,967	715
Office and administrative support occupations	8,762	756
Natural resources, construction, and maintenance occupations	538	682

See footnotes at end of table.

Table 14. Median usual weekly earnings of full-time wage and salary workers, by occupation and gender, annual averages, 2020

Occupation and gender	Number of workers (in thousands)	Median weekly earnings
Farming, fishing, and forestry occupations	187	528
Construction and extraction occupations	191	796
Installation, maintenance, and repair occupations	160	801
Production, transportation, and material moving occupations	3,243	614
Production occupations	1,765	630
Transportation and material moving occupations	1,478	600

Note: Updated population controls are introduced annually with the release of January data.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Summary

The national unemployment rate reached 13.0 percent in the second quarter of 2020, as the economic expansion ended early in 2020 and the nation fell into recession because of the COVID-19 pandemic. As the nation struggled to reopen its economy fully, the jobless rate fell to 6.7 percent in the fourth quarter of 2020; even with the decline, the rate was almost twice as high as it was a year earlier. At the end of the year, the number of people on temporary layoff, as well as permanent job losers and people unemployed for 27 weeks or longer, were also much higher than they were a year earlier. The number of employed people, at 149.8 million in the fourth quarter of 2020, fell by 8.8 million over the year, as improvements in the third and fourth quarters did not make up for the employment losses in the second quarter. The labor force participation rate fell by 1.7 percentage points over the year, reaching 61.5 percent in the fourth quarter of 2020, with the rate for women declining somewhat more sharply.

SUGGESTED CITATION

Sean M. Smith, Roxanna Edwards, and Hao C. Duong, "Unemployment rises in 2020, as the country battles the COVID-19 pandemic," *Monthly Labor Review,* U.S. Bureau of Labor Statistics, June 2021, https://doi.org/10.21916/mlr.2021.12

NOTES

1 The Business Cycle Dating Committee of the National Bureau of Economic Research (NBER) is the official arbiter of the beginning and ending dates of recessions and expansions in the United States. According to NBER, the most recent expansion began in June 2009 and ended in February 2020. Or, in terms of quarters, the expansion began in the second quarter of 2009 and ended in the fourth quarter of 2019. For the quarterly analysis in this article, the NBER-designated quarterly dates are used. According to NBER, the “trough” of a recession marks the beginning of an expansion, and the “peak” of an expansion marks the beginning of a recession. Therefore, the economic expansion that ended in February 2020 lasted for 128 months or 42 quarters, surpassing the economic expansion of March (first quarter) 1991 to March (first quarter) 2001, which lasted for 120 months (or 40 quarters) and had been the longest expansion on record. An endpoint for the recession that began in February 2020 has not yet been determined. For further analysis of the U.S. labor market during the Great Recession and the decade that followed, see Evan Cunningham, “Great Recession, great recovery? Trends from the Current Population Survey,” *Monthly Labor Review*, April 2018, www.bls.gov/opub/mlr/2018/article/great-recession-great-recovery.htm.

2 The forerunner to the Current Population Survey (CPS), known as the Sample Survey of Unemployment, was initiated in 1940 by the Work Projects Administration. The survey was transferred to the U.S. Census Bureau in 1942 and became widely known as the "Current Population Survey" in 1948. Historical comparisons in this article use data for 1948 and later years; the data are seasonally adjusted and are for people 16 years and older. For more on the history of the CPS, see "Current Population Survey," *Handbook of Methods* (U.S. Bureau of Labor Statistics, 2018), pp. 19–21, https://www.bls.gov/opub/hom/cps/pdf/cps.pdf; see also, Megan Dunn, Steven E. Haugen, and Janie-Lynn Kang; "The Current Population Survey—tracking unemployment in the United States for over 75 years," *Monthly Labor Review*, January 2018, https://www.bls.gov/opub/mlr/2018/article/the-current-population-survey-tracking-unemployment.htm.

3 In the CPS, unemployed people are defined as those ages 16 years and older who were not employed during the survey reference week, had actively searched for work during the 4 weeks prior to the survey, and were available for work. People who were on temporary layoff and available for work are counted as unemployed and do not have to have searched for work during the reference period.

4 Although data from the CPS are published monthly, the data analyzed in this article are seasonally adjusted quarterly averages, and, unless otherwise noted, all over-the-year changes compare data from the fourth quarter of 2019 to the fourth quarter of 2020.

5 The Great Recession began in December 2007, or the fourth quarter of 2007, and ended in June 2009, or the second quarter of 2009, as determined by the National Bureau of Economic Research (NBER). For more information about U.S. business cycle expansions and contractions, see https://www.nber.org/research/data/us-business-cycle-expansions-and-contractions.

6 Beginning with data for January 2020, the Current Population Survey (CPS) has classified occupations according to the Census 2018 occupational classification system, which is derived from the 2018 Standard Occupational Classification (SOC) system. The 2018 SOC system replaced the earlier 2010 Census occupational classification based on the 2010 SOC system, which was used in the CPS from January 2011 through December 2019. As a result of this change, CPS occupational data from January 2020 and later are not comparable with occupational data from earlier years. Although the names of the broad- and intermediate-level occupational groups in the 2018 SOC system remained the same, some detailed occupations were reclassified between the broader groups, which substantially affects data comparability over time. For example, within sales and office occupations, the office and administrative support occupations group is now smaller in scope. (The titles of the groups were unchanged.) Stock clerks and order fillers, which employed 1.5 million people in 2019, moved out of the broad group office and administrative support occupations and into transportation and material moving occupations. Similarly, computer operators, which employed 72,000 people in 2019, moved out of office and administrative support occupations and into computer and mathematical occupations. In addition, within production, transportation, and material moving occupations, the transportation and material moving occupations group is now larger in scope because it includes stock clerks and order fillers. Finally, some detailed occupations were reclassified but remained in the same broad occupation category—within service occupations, for example, personal care aides, which employed 1.5 million people in 2019, moved from personal care and service occupations to healthcare support occupations. For more information, see "Industry and Occupation Classification" (U.S. Census Bureau, October 2020), https://www.census.gov/programs-surveys/cps/technical-documentation/methodology/industry-and-occupation-classification.html.

7 For more information on the percentage of women and men who take care of children and perform other household activities on a given day, see *American Time Use Survey—2019 Results*, USDL-20-1275 (U.S. Department of Labor, June 25, 2020), www.bls.gov/news.release/pdf/atus.pdf. For estimates of unpaid eldercare providers, see *Unpaid Eldercare in the United States—2017–18: Data from the American Time Use Survey*, USDL-19-2051 (U.S. Department of Labor, November 22, 2019), www.bls.gov/news.release/pdf/elcare.pdf.

8 For more information, see Misty L. Heggeness, Jason Fields, Yazmin A. Garcia Trejo, and Anthony Schulzetenberg, "Tracking job losses for mothers of school-age children during a health crisis," (U.S. Census Bureau, March 3, 2021), https://www.census.gov/library/stories/2021/03/moms-work-and-the-pandemic.html.

9 People whose ethnicity is identified as Hispanic or Latino may be of any race. In the CPS, about 90 percent of people of Hispanic or Latino ethnicity are classified as White.

10 See Amara Omeokwe, "Pandemic accelerates retirements, threatening economic growth," *Wall Street Journal*, March 28, 2021, https://www.wsj.com/articles/pandemic-accelerates-retirements-threatening-economic-growth-11616940000?mod=hp_major_pos2#cxrecs_s.

11 Since 1992, educational attainment in the CPS refers to the highest diploma or degree obtained. Prior to 1992, educational attainment referred to the number of years of school completed. The pre-1992 educational attainment categories are not strictly comparable with the current categories.

12 The CPS collects data on the different reasons that people are unemployed, including being on temporary layoff. Unemployed people on temporary layoff are those who (1) said they were laid off or were not at work during the survey reference week because of layoff (temporary or indefinite) or slack work or business conditions, (2) have been given a date to return or expect to be recalled within the next 6 months, and (3) could have returned to work if they had been recalled (except for those who had a temporary illness that prevented them from returning to work). Unlike other unemployed people, those on temporary layoff do not need to be actively looking for work to be classified as unemployed. Pay status is not part of the criteria for being classified as unemployed on temporary layoff. People absent from work because of temporary layoff are classified as unemployed on temporary layoff, whether or not they were paid during the time they were off work.

13 For more information about duration of unemployment during 2020, see "36.9 percent of unemployed jobless 27 weeks or more as pandemic continues, November 2020," *The Economics Daily* (U.S. Bureau of Labor Statistics, December 9, 2020), www.bls.gov/opub/ted/2020/36-point-9-percent-of-unemployed-jobless-27-weeks-or-more-as-pandemic-continues-november-2020.htm.

14 BLS produces measures of people at work part time for economic and noneconomic reasons from the CPS. People at work part time for economic reasons, also referred to as involuntary part-time workers, include those who gave an economic reason when asked why they worked 1 to 34 hours during the reference week (the week including the 12th of the month). Economic reasons include the following: slack work, unfavorable business conditions, inability to find full-time work, and seasonal declines in demand. People who usually work part time and were at work part time during the reference week must indicate that they wanted and were available for full-time work to be classified as part time for economic reasons.

15 In the CPS, veterans are defined as men and women 18 years and older who previously served on active duty in the U.S. Armed Forces and who were civilians at the time the survey was conducted. Veterans are categorized as having served in the following periods of service: (1) Gulf War era II (September 2001 to the present), (2) Gulf War era I (August 1990 to August 2001), (3) Vietnam era (August 1964 to April 1975), (4) Korean War (July 1950 to January 1955), (5) World War II (December 1941 to December 1946), and (6) other service periods (all other periods). Veterans who served in more than one wartime period are classified into only the most recent one. Veterans who served in both a wartime period and any other service period are classified only in the wartime period.

16 The foreign born are people who reside in the United States but were not U.S. citizens at birth. Specifically, they were born outside the country (or outside one of its outlying areas, such as Puerto Rico or Guam), and neither parent was a U.S. citizen. The foreign born include legally admitted immigrants; refugees; temporary residents, such as students and temporary workers; and undocumented immigrants.

17 *Foreign-Born Workers: Labor Force Characteristics—2020*, USDL 21-0905 (U.S. Department of Labor, May 18, 2021), https://www.bls.gov/news.release/archives/forbrn_05182021.pdf.

18 For additional information, see Steven F. Hipple, "People who are not in the labor force: why aren't they working?" *Beyond the Numbers*, December 2015, www.bls.gov/opub/btn/volume-4/people-who-are-not-in-the-labor-force-why-arent-they-working.htm.

19 Discouraged workers may indicate that no jobs are available for them; they lack education, training, or experience needed to find a job; or they believe they face some type of discrimination, such as being too young or too old.

20 The alternative measures of labor underutilization were introduced in 1994. U-3, the total number of people unemployed as a percentage of the labor force, is the official unemployment rate. For more information on the alternative measures of labor underutilization, see table A–15 in *The Employment Situation* news release, https://www.bls.gov/news.release/empsit.nr0.htm.

21 For more information on this topic, see Harley Frazis, "Employed workers leaving the labor force: an analysis of recent trends," *Monthly Labor Review*, May 2017, https://www.bls.gov/opub/mlr/2017/article/employed-workers-leaving-the-labor-force-an-analysis-of-recent-trends.htm; Randy E. Ilg and Eleni Theodossiou, "Job search of the unemployed by duration of unemployment," *Monthly Labor Review*, March 2012, https://www.bls.gov/opub/mlr/2012/03/art3full.pdf; and "Research series on labor force status flows from the Current Population Survey," available at www.bls.gov/cps/cps_flows.htm.

22 These data are not seasonally adjusted and are available as monthly estimates. For more information, see www.bls.gov/cps/effects-of-the-coronavirus-covid-19-pandemic.htm.

23 People did not have to telework for the entire time that they worked to be counted among those who telework. People whose telework was not related to the pandemic, such as those who worked entirely from home before the pandemic, are not included in this measure.

24 Data on people ages 25 and older who teleworked because of the pandemic, by educational attainment, are available at www.bls.gov/cps/effects-of-the-coronavirus-covid-19-pandemic.htm#table1.

25 See Matthew Dey and Mark A. Loewenstein, "How many workers are employed in sectors directly affected by COVID-19 shutdowns, where do they work, and how much do they earn?" *Monthly Labor Review,* April 2020, www.bls.gov/opub/mlr/2020/article/covid-19-shutdowns.htm.

26 See Matthew Dey, Harley Frazis, Mark A. Loewenstein, and Hugette Sun, "Ability to work from home: evidence from two surveys and implications for the labor market in the COVID-19 pandemic," *Monthly Labor Review*, June 2020, www.bls.gov/opub/mlr/2020/article/ability-to-work-from-home.htm.

27 Data are annual averages and are in current dollars. The CPS data on earnings represent earnings before taxes and other deductions and include any overtime pay, commissions, or tips typically received. For multiple jobholders, only earnings received at their main job are included. Earnings reported on a nonweekly basis are converted to a weekly equivalent. The term "usual" reflects each survey respondent's understanding of the term. If the respondent asks for a definition of "usual," interviewers are instructed to define the term as more than half the weeks worked during the past 4 or 5 months. Wage and salary workers are defined as those who receive wages, salaries, commissions, tips, payment in kind, or piece rates. This definition includes both public- and private-sector employees but excludes all self-employed people, regardless of whether their business is incorporated or unincorporated. Earnings comparisons made in this article are on a broad level and do not control for many factors that can be important in explaining earnings differences, such as job skills and responsibilities, work experience, and specialization. Finally, full-time workers are those who usually work 35 hours or more per week at their main job.

28 See Matthew Dey, Mark A. Loewenstein, David S. Piccone Jr, and Anne E. Polivka, "Demographics, earnings, and family characteristics of workers in sectors initially affected by COVID-19 shutdowns," *Monthly Labor Review,* June 2020, www.bls.gov/opub/mlr/2020/article/demographics-earnings-and-family-characteristics-of-workers-in-sectors-initially-affected-by-covid-19-shutdowns.htm.

29 For more information on this issue, see Erin E. Crust, Mary C. Daly, and Bart Hobijn, "The illusion of wage growth," *FRBSF Economic Letter*, August 31, 2020, www.frbsf.org/economic-research/publications/economic-letter/2020/august/illusion-of-wage-growth/.

30 For further discussion about the benefits of college education, see Jaison R. Abel and Richard Deitz, "Do the benefits of college still outweigh the costs?" *Current Issues in Economics and Finance*, vol. 20, no. 3, 2014, www.newyorkfed.org/medialibrary/media/research/current_issues/ci20-3.pdf.

RELATED CONTENT

Related Articles

Estimating state and local employment in recent disasters—from Hurricane Harvey to the COVID-19 pandemic, *Monthly Labor Review*, April 2021

Employment projections in a pandemic environment, *Monthly Labor Review*, February 2021

Employment recovery in the wake of the COVID-19 pandemic, *Monthly Labor Review*, December 2020

Job market remains tight in 2019, as the unemployment rate falls to its lowest level since 1969, *Monthly Labor Review*, April 2020

Related Subjects

Race and ethnicity | Current population survey | Labor force | Long-term unemployed | Asian | Black | Employment | COVID-19 | Recession | Foreign born | Earnings and wages | Men | Hispanic | Unemployment | Self-employment | Expansions | Women